



Australian Government
Registered Organisations Commission

12 February 2018

Mr Peter Marshall
National Secretary
United Firefighters' Union of Australia
410 Brunswick Street
FITZROY VIC 3065

By email: ufunational@ufunat.asn.au
heinz@kidmanspartners.com.au

Dear Mr Marshall,

United Firefighters' Union of Australia Financial Report for the year ended 30 June 2016 – [FR2016/238]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the United Firefighters' Union of Australia (**the reporting unit**). The financial report was initially lodged with the Fair Work Commission (**FWC**) on 21 December 2016.

This report was examined, and on 23 February 2017, I provided you with correspondence on a number of matters that had been identified within the report and that an amended general purpose financial report and operating report would need to be provided to members, presented to a Committee of Management Meeting and lodged with the FWC which addressed those issues.

On 1 May 2017 the Registered Organisations Commission (**the ROC**) commenced and some functions of the FWC were transferred to the ROC. Your matter FR2016/238 was transferring to the ROC on this date.

After numerous requests for updates on the progress of the amended reports, information was provided to the ROC on 9 August 2017 from your auditors, Agostinelli Perlen, in relation to one of the matters identified in the above mentioned correspondence. Further draft reports were provided on 27 September 2017 and 10 October 2017 and on both occasions I provided correspondence on the matters still outstanding. On 5 February 2018 a signed amended financial report was lodged with the ROC which stated that members had been provided with a copy of the amended full report on 17 January 2018 and that the amended full report was presented to a meeting of the National Committee of Management on 31 January 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting

Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0731 or by email at joanne.fenwick@roc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Registered Organisations Commission

DESIGNATED OFFICER'S CERTIFICATE

UNITED FIREFIGHTERS UNION OF AUSTRALIA

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the period ended June 2016

I Peter Marshall being the National Secretary of the United Firefighters Union of Australia certify:

- that the documents lodged herewith are copies of the amended full report for the United Firefighters Union of Australia for the period ended June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the amended full report was provided to members of the reporting unit on 17 January 2018; and
- that the amended full report was presented to a meeting of the National Committee of Management of the reporting unit on 31 January 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Peter Marshall

National Secretary

Dated: 2 February 2018

UNITED FIREFIGHTERS UNION OF AUSTRALIA

ABN 51 824 544 079

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079**

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2016**

CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Financial Statements | |
| Operating report | 1 |
| Committee of management certificate | 4 |
| Independent audit report | 5 |
| Statement of comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in members' equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2016

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, your Committee of Management present their report on the Union for the financial year ended 30 June 2016.

Principal activities

The Principle activities of the UFUA in financial year 2016-2017 included but were not limited to:

- Providing an industrial advocacy and representation service with regard to national matters, and relationships with industry, employers and other parties.
- Acting as a national spokesperson on national issues and major matters
- Providing assistance and advice to Branches with regards to industrial matters, disputes, industrial relations legislation, health and safety, bargaining and other issues of national significance.
- Representation on the ACTU
- Representation on Australian Standards, International Standards Organisation.
- Representation of the skills and training needs of members through participation on Public Safety Industry Training committees
- Advocating members' interests through political lobbying at Federal and State levels
- Advocating members interests at a workplace, branch, state and national level. This has included meeting with employers and industry representatives, lobbying and representing members' interests in Industrial Tribunals, courts and other jurisdictions as necessary. This is across the spectrum of common national issues, fire agency specific issues and cases impacting on an individual member.
- Identification of issues at state and national level and coordinating an approach for desired outcomes for members' interests.
- Assisting Branches with Branch specific issues including bargaining terms and conditions.
- Campaigning on issues affecting members' interests or to promote members' interests
- Organising and hosting conferences examining specific interests of members
- Regulatory compliance including the maintenance of the membership eligibility rule
- Undertaking due diligence including legal and expert advice
- Submissions to Federal and State Parliamentary and other inquiries, appearing before committees as necessary and participating in the legislative process of Bills and other legislative instruments being considered.
- Promotion of firefighter health, safety and wellness issues to improve workplace practices, policies and programmes for the benefit of firefighters.
- Maintaining the Union's national and international affiliations including drawing on the experience of international industry experts to further the interests of members.
- Undertaking and commissioning research on issues affecting members' interests

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

Operating result

The Union continued its principal activities during the year being the representation of professional fire fighters and their safety. The results of those activities are the continued successful provision of services to members and result in a net operating surplus of \$86,117 (2015: \$97,984). No provision for tax was necessary as the reporting unit is exempt from income tax.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

Significant changes in state of affairs

No significant changes in the Unions' state of affairs occurred during the financial year.

The dispute with one of the state branches, as reported in previous financial reports, remains unresolved. Legal proceeding ceased during the 2012 financial year and no further action has been undertaken by the Union during the 2016 financial year regarding this matter.

Outstanding dues owing from the branch continue to be fully provided for.

After balance day events

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.

Rights of members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisations by written notice addressed to and delivered to the secretary of the organisations.

Superannuation officeholders

The following members of the committee of management are directors of a company that is a trustee of a superannuation entity.

| Name | Branch | Company |
|----------------------|-----------------|---|
| Greg Northcott | South Australia | SA Metropolitan Fire Service Superannuation Pty Ltd |
| Michael Vander-Jeugd | South Australia | SA Metropolitan Fire Service Superannuation Pty Ltd |
| Chris Read | New South Wales | NSW Fire Brigades Superannuation Pty Ltd |

No members of the committee of management are an individual trustee of a superannuation entity.

Other prescribed information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisations under section 244 of the Fair Work (Registered Organisations) Act 2009 was 9,717.
- (b) the number of persons who were at the end of the financial year employees of the organisation was 1.5 full time equivalent employee.

The role of National Secretary is not included in the above employee numbers. From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch.

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079**

**OPERATING REPORT
30 JUNE 2016**

Other prescribed information (continued)

(c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

| Office | Name | Period |
|---|--------------------------|-----------------------------------|
| National Office | Greg Northcott | 1 July 2015 – 30 June 2016 |
| | Peter Marshall | 1 July 2015 – 30 June 2016 |
| Representing New South Wales | Chris Read | 1 July 2015 – 30 June 2016 |
| Representing Victoria | Peter Marshall | 1 July 2015 – 30 June 2016 |
| | David Hamilton | 1 July 2015 – 30 June 2016 |
| | Anthony Trimble | 1 July 2015 – 30 June 2016 |
| | Ken Brown | 1 July 2015 – 30 June 2016 |
| Representing Queensland | Danny Ward | 1 July 2015 – 30 June 2016 |
| | John Oliver | 1 July 2015 – 30 June 2016 |
| | Mark Dearlove | 1 July 2015 – 10 May 2016 |
| | Lawrence Cullen | 11 May 2016 – 30 June 2016 |
| Representing South Australia | Shane Malley | 1 July 2015 – 30 June 2016 |
| | Peter Draper | 1 July 2015 – 30 June 2016 |
| | Greg Northcott | 1 July 2015 – 30 June 2016 |
| Representing Western Australia | Michael Vander-Jeugd | 1 July 2015 – 30 June 2016 |
| | Kevin Jolly | 1 July 2015 – 30 June 2016 |
| Representing Aviation | Lea Anderson | 1 July 2015 – 30 June 2016 |
| | Henry Lawrence | 1 July 2015 – 30 June 2016 |
| Representing Australian Capital Territory | Jon Vaughan | 1 July 2015 – 30 June 2016 |
| | Greg McConville (Acting) | 16 October 2015 – 9 February 2016 |
| | Greg McConville | 10 February 2016 – 30 June 2016 |
| Representing Tasmania | Vacant Position | 1 July 2015 – 15 October 2015 |
| | Greg Cooper | 1 July 2015 – 30 June 2016 |

Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:

**GREG NORTHCOTT
PRESIDENT**



Dated at

Wednesday this *31* day of *January*, 2018.

The accompanying notes form part of these accounts

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

COMMITTEE OF MANAGEMENT CERTIFICATE

On the.....31 day of Jan. 2018.....the Committee of Management of the United Firefighters' Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2016.

The Committee of Management declares that 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 General Manager;
- (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; and
- (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 Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) In relation to the recovery of wages activity
 - (i) There were no recovery of wages activity for the Union during the year ended 30 June 2016.

This declaration is made in accordance with a resolution of the Committee of Management:



GREG NORTHCOTT
PRESIDENT

Dated at Wednesday this 31 day of January 2018

The accompanying notes form part of these accounts

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA

We have audited the financial report of United Firefighters Union of Australia, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management certificate.

Committee of management's responsibility for the financial report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Declaration

We are an approved auditor for the purposes of the Fair Work (Registered Organisations) Act 2009. We are also a member of the Chartered Accountants Australia and New Zealand and hold a current Certificate of Public Practice.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS' UNION OF AUSTRALIA

Emphasis of matter – reissued financial report

Without qualification to the opinion expressed below, attention is drawn to the following matter. As indicated in Note 1 under Basis of Preparation, the attached financial report of United Firefighters' Union of Australia for the year ended 30 June 2016 is a reissued financial report and supersedes the financial report signed by the Committee, and lodged with the Fair Work Commission, on 7 December 2016. This audit report supersedes our audit report dated 7 December 2016 relating to the previously issued and now superseded financial report.

Auditor's opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of United Firefighters Union of Australia as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

We are also of the opinion that management's use of the going concern basis of accounting in preparation of the financial statements was appropriate.

**Kidmans Partners Audit Pty Ltd
Chartered Accountants**



**Heinz Mai
Director**

Dated at Melbourne this 31 day of January 2018.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

| INCOME | Notes | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------------|--------------------|
| | | \$ | \$ |
| Branch subscriptions | 3(a) | 660,077 | 636,293 |
| Affiliation fees | 3(b) | 39,789 | 32,987 |
| Magazine revenue | | 18,182 | 30,000 |
| Interest received | | 280 | 243 |
| Other income | | - | 5,750 |
| | | <u>718,328</u> | <u>705,273</u> |
| | | | |
| Administration and other operating costs | | | |
| Affiliation fees | 4(c) | 63,124 | 54,020 |
| Doubtful debts | | 61 | 102 |
| Bank charges | | 180 | 30 |
| Campaign costs | | 1,545 | 2,807 |
| Computer expenses | | 30 | - |
| Consultancy | | 17,128 | 24,334 |
| Depreciation | | 984 | 1,360 |
| General expenses | | 7,280 | - |
| Legal fees | 4(g) | 44,345 | 16,904 |
| Printing, postage and stationery | | 18,059 | 16,282 |
| Promotional and magazine expenses | | 8,426 | 3,465 |
| Rent, services and occupancy expenses | | 32,227 | 23,299 |
| Storage | | 2,636 | 3,145 |
| Subscriptions and donations | 4(d) | 1,000 | 500 |
| Travelling | | - | 1,979 |
| Web hosting | | 10,000 | 1,077 |
| | | <u>207,025</u> | <u>149,304</u> |
| | | | |
| Accounting fees | 5 | 20,000 | 26,000 |
| Audit fees | 5 | <u>12,000</u> | <u>11,000</u> |
| | | | |
| Employment costs | 4(a) | <u>286,333</u> | <u>300,658</u> |
| | | | |
| Conference and meetings | 4(e) | <u>106,853</u> | <u>120,327</u> |
| | | | |
| TOTAL EXPENDITURE | | <u>632,211</u> | <u>607,289</u> |
| | | | |
| OPERATING SURPLUS | | 86,117 | 97,984 |
| Accumulated surplus at beginning of year | | <u>181,431</u> | <u>83,447</u> |
| ACCUMULATED SURPLUS AT 30 JUNE 2016 | | <u>267,548</u> | <u>181,431</u> |

The accompanying notes form part of these accounts

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Notes | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-------|----------------|----------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash at bank | 10(a) | 405,997 | 310,290 |
| Trade and other receivables | 6 | - | 6,477 |
| Total current assets | | 405,997 | 316,767 |
| Non current assets | | | |
| Plant and equipment | 7 | 2,915 | 3,899 |
| Total non current assets | | 2,915 | 3,899 |
| TOTAL ASSETS | | 408,912 | 320,666 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 66,933 | 69,369 |
| Provisions | 9 | 70,528 | 69,866 |
| Total current liabilities | | 137,461 | 139,235 |
| Non current liabilities | | | |
| Provisions | 9 | 3,903 | - |
| Total non current liabilities | | 3,903 | - |
| TOTAL LIABILITIES | | 141,364 | 139,235 |
| NET ASSETS | | 267,548 | 181,431 |
| MEMBERS' EQUITY | | | |
| Members' funds | | 267,548 | 181,431 |
| TOTAL MEMBERS' EQUITY | | 267,548 | 181,431 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

| | Members' | |
|--------------------------------|-----------------|--------------|
| | funds | Total |
| | \$ | \$ |
| Balance at 1 July 2014 | 83,447 | 83,447 |
| Surplus for the year | 97,984 | 97,984 |
| Balance at 30 June 2015 | 181,431 | 181,431 |
| Surplus for the year | 86,117 | 86,117 |
| Balance at 30 June 2016 | 267,548 | 267,548 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

| | Note | <u>2016</u> | <u>2015</u> |
|--|-------|----------------|----------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (including members and related activities) | 10(c) | 796,911 | 801,379 |
| Payment to suppliers and employees | 10(c) | (701,484) | (695,561) |
| Interest received | | 280 | 243 |
| Net cash provided by operating activities | 10(b) | <u>95,707</u> | <u>106,061</u> |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | | (2,524) |
| Net cash provided by investing activities | | | <u>(2,524)</u> |
| Net increase in cash held | | 95,707 | 103,537 |
| Cash at the beginning of the financial year | | 310,290 | 206,753 |
| Cash at end of financial year | 10(a) | <u>405,997</u> | <u>310,290</u> |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 –Significant accounting policies

Statement of compliance

These accounts are the accounts of the national body of the United Firefighters Union of Australia. They do not include the accounts of each of the branches of the Union.

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

Basis of preparation

This reissued financial report replaces the previously issued financial report approved on 7 December 2016.

The reason for the reissue of the financial report dated 7 December 2016 is due to a request from the Registered Organisations Commission to include additional disclosure items. The items disclosed have no financial effect on the previous financial report but provide confirmation of specific matters required by the Registered Organisations Commission.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Comparative amounts

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

(b) Employee benefits

Provision is made for the Union'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 long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

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

(c) 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.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(d) Plant and equipment

Office furniture, equipment, software and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

| | |
|------------------------|----------|
| Plant and equipment | 15 – 67% |
| Computer software | 40% |
| Leasehold improvements | 2.5% |

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

All plant and equipment is assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(e) Income tax

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

(f) Cash and cash equivalents

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

(g) Goods and Services Tax (GST)

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable. In accordance with generally accepted accounting principles for such organisations, branch contributions are accounted for on an accrual basis.

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

(i) Financial assets

Financial assets are classified into the following specified categories: held-to-maturity investments, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(j) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets carrying amount and the present value of future cash flows, discounted at the financial asset's original effective interest rate.

(k) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Leases

Operating lease payment are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

(m) Contingent liabilities and contingent assets

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

(n) Significant accounting judgements and estimates

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(o) Fair value measurement

The United Firefighters Union of Australia measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 11B.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the United Firefighters Union of Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(p) Going concern

United Firefighters Union of Australia is not reliant on the agreed financial support of another reporting unit to continue on a going basis.

United Firefighters Union of Australia has not agreed to provide financial support to another reporting unit to ensure they can continue on a going basis.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

Note 2 – Application of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have not affected the amounts reported in these financial statements.

Standard

AASB 2013-9 'Amendments to Australian Accounting Standards: Conceptual Framework, Materiality and Financial Instruments'.

AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'.

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

| <u>Standard/Interpretation</u> | <u>Effective for annual reporting periods beginning on or after</u> | <u>Expected to be initially applied in the financial year ending</u> |
|---|---|--|
| AASB 9 'Financial Instruments' Includes requirements for the classification and measurement of financial assets | 1 January 2018 | 30 June 2018 |
| AASB 15 'Revenue from contracts with customers' Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entities contracts with customers. | 1 January 2018 | 30 June 2018 |
| AASB 16 'Lease' Introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. | 1 January 2019 | 30 June 2019 |

The Committee of Management anticipates that the adoption of the above standards or interpretations will not have an impact on the Union's financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|
| | \$ | \$ |
| Note 3 – Income | | |
| (a) Capitation fees | | |
| Capitation fees are receivable from State Branches based on membership numbers and paid quarterly in arrears. | | |
| Capitation fees rendered for the year ended 30 June 2016 are made up as follows: | | |
| United Firefighters' Union – Queensland Branch | 152,932 | 149,709 |
| United Firefighters' Union – South Australian Branch | 68,080 | 68,232 |
| United Firefighters' Union – Tasmanian Branch | 25,729 | 24,816 |
| United Firefighters' Union – Victorian Branch | 241,520 | 230,015 |
| United Firefighters' Union – Western Australian Branch | 85,752 | 82,007 |
| United Firefighters' Union – New South Wales Branch | 104 | 102 |
| United Firefighters' Union – Australian Capital Territory | 24,911 | 25,178 |
| United Firefighters' Union – Aviation Branch | 61,050 | 56,234 |
| Total capitation fees | 660,077 | 636,293 |
| (b) Levies | | |
| ACTU affiliation levies rendered for the year ended 30 June 2016 are made up as follows: | | |
| United Firefighters' Union – Queensland Branch | 10,036 | 8,413 |
| United Firefighters' Union – South Australian Branch | 4,358 | 3,809 |
| United Firefighters' Union – Tasmanian Branch | 1,481 | 1,231 |
| United Firefighters' Union – Victorian Branch | 14,009 | 11,412 |
| United Firefighters' Union – Western Australian Branch | 4,941 | 4,072 |
| United Firefighters' Union – New South Wales Branch | 13 | 11 |
| United Firefighters' Union – Australian Capital Territory | 1,434 | 1,249 |
| United Firefighters' Union – Aviation Branch | 3,515 | 2,790 |
| Total levies | 39,789 | 32,987 |
| (c) Grants or donations | | |
| Grants | - | - |
| Donations | - | - |
| Total Grants or donations | - | - |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|
| | \$ | \$ |
| Note 4 – Expenses | | |
| (a) Employee expenses | | |
| Holders of office | | |
| Wages and salaries | - | 22,518 |
| Back pay adjustment | - | 21,133 |
| Contract services (i) | 84,854 | 77,892 |
| Superannuation | 2,946 | 4,147 |
| Movement in leave and other entitlements | - | - |
| Separation and redundancies | - | - |
| Other employee expenses | - | - |
| Honorarium | 31,009 | 4,248 |
| Subtotal employee expenses – holders of office | 118,809 | 129,938 |
| Employees other than office holders | | |
| Wages and salaries | 137,980 | 145,702 |
| Superannuation | 23,187 | 24,774 |
| Movement in leave and other entitlements | 4,564 | (5,379) |
| Separation and redundancies | - | - |
| Other employee expenses | 429 | 3,643 |
| Subtotal employee expenses – employees other than office holders | 166,160 | 168,740 |
| Other employee expenses - work cover insurance | 1,364 | 1,980 |
| Total employee expenses | 286,333 | 300,658 |
| (i) Reimbursement of wages paid to National Secretary by the United Firefighters Union – Victorian Branch. The total amount paid to the Victorian Branch from 1 July 2015 to 30 June 2016 included in the above holders of office amounts: | | |
| Contract services | 84,854 | 77,892 |
| Superannuation | - | - |
| Movement in leave and other entitlements | - | - |
| | 84,854 | 77,892 |
| (b) Capitation fees | | |
| | - | - |
| Total Capitation fees | - | - |
| (c) Affiliation fees | | |
| ACTU Affiliation | 45,645 | 33,840 |
| ACTU IR Levy | 16,660 | 19,398 |
| APHEDA | 818 | 782 |
| Total Affiliation fees | 63,124 | 54,020 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|
| | \$ | \$ |
| (d) Grants or donations | | |
| Grants: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | 1,000 | 500 |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | 1,000 | 500 |
| (e) Conference and meeting costs | | |
| Conference and meeting travel expenses | 68,511 | 71,950 |
| Conference and meeting fees/ allowances | - | - |
| Venue and catering costs | 26,345 | 30,602 |
| Teleconferencing | 7,605 | 4,405 |
| Other conference and meeting expenses | 4,392 | 13,370 |
| | 106,853 | 120,327 |
| (f) Administration and other operating expenses | | |
| Operating lease rentals | | |
| Minimum lease payments | 18,790 | 18,655 |
| | 18,790 | 18,655 |
| (g) Legal costs | | |
| Litigation | - | - |
| Other legal matters | 44,346 | 16,904 |
| Total legal costs | 44,346 | 16,904 |
| (h) Other expenses | | |
| Penalties – via RO Act or RO Regulations | - | - |
| No expenses incurred as consideration for employers making payroll deductions of membership subscriptions in 2016. (2015 :\$0) | - | - |
| Note 5 – Remuneration of auditors | | |
| Remuneration of the auditor of the Union for: | | |
| Audit of the financial report – Kidmans Partners | 12,000 | - |
| Audit of the financial report – Agostinelli Perlen | - | 11,000 |
| Other services – Agostinelli Perlen | 20,000 | 26,000 |
| Total remuneration of auditors | 32,000 | 37,000 |

The auditor of United Firefighters Union of Australia is Kidman Partners (2015: Agostinelli Perlen).
Kidmans Partners did not receive any fees for other services

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Note 6 – Trade and other receivables | | |
| Receivables from other reporting units | | |
| United Firefighters' Union – New South Wales | 288,822 | 288,762 |
| Total receivables from other reporting units | 288,822 | 288,762 |
| Less provision for doubtful debts | | |
| United Firefighters' Union – New South Wales | 288,822 | 288,762 |
| Total provision for doubtful debts | 288,822 | 288,762 |
| Net receivables from other reporting units | - | - |
| A provision for doubtful debts has been booked in the accounts representing a disputed amount payable by a State Branch. | | |
| Other receivables | | |
| Other trade receivables | - | 6,477 |
| Total other receivables | - | 6,477 |
| Total net trade and other receivables | - | 6,477 |
| Note 7 – Plant and equipment | | |
| Office furniture and equipment - at cost | 4,191 | 4,191 |
| Less: accumulated depreciation | (3,503) | (2,584) |
| | 688 | 1,607 |
| Leasehold Improvements | 2,591 | 2,591 |
| Less: accumulated depreciation | (364) | (299) |
| | 2,227 | 2,292 |
| | 2,915 | 3,899 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 7 – Plant and equipment (continued)

Movements in carrying amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

| | Office furniture and equipment \$ | Computer software \$ | Leasehold improvements \$ | Total \$ |
|---------------------------------|---|----------------------------|---------------------------------|-------------|
| Cost | | | | |
| Balance at 1 July 2014 | 1,667 | 10,182 | 2,591 | 14,440 |
| Additions/(Disposals) | 2,524 | (10,182) | - | (7,658) |
| Balance at 30 June 2015 | 4,191 | - | 2,591 | 6,782 |
| Additions/(Disposals) | - | - | - | - |
| Balance at 30 June 2016 | 4,191 | - | 2,591 | 6,782 |
| Accumulated depreciation | | | | |
| Balance at 1 July 2014 | (1,289) | (10,182) | (234) | (11,705) |
| Disposals | - | 10,182 | - | 10,182 |
| Depreciation expense | (1,295) | - | (65) | (1,360) |
| Balance at 30 June 2015 | (2,584) | - | (299) | (2,883) |
| Disposals | - | - | - | - |
| Depreciation expense | (919) | - | (65) | (984) |
| Balance at 30 June 2016 | (3,503) | - | (364) | (3,867) |

| | |
|--------------------|--------------------|
| <u>2016</u> | <u>2015</u> |
| \$ | \$ |

Note 8 – Trade and other payables

Payables to other reporting units

| | | |
|--|--------|-------|
| United Firefighters' Union – South Australian Branch | - | 1,322 |
| United Firefighters' Union – Victorian Branch | 11,000 | 1,100 |
| United Firefighters' Union – Western Australian Branch | 1,702 | - |
| Subtotal payables to other reporting units | 12,702 | 2,422 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

| | <u>2016</u> | <u>2015</u> |
|---|---------------|---------------|
| | \$ | \$ |
| Trade and other payables | | |
| Wages and salaries | 3,373 | - |
| Trade creditors | 14,329 | 2,352 |
| GST payable | 6,914 | 18,146 |
| PAYG Withholding Tax Payable | 6,646 | 21,721 |
| Superannuation | 3,050 | - |
| Legal Costs: | | |
| Litigation | - | - |
| Other legal matters | - | - |
| Consideration to employers for payroll deductions | - | - |
| Other | 19,919 | 24,728 |
| Subtotal trade and other payables | 54,231 | 66,947 |
| Total trade and other payables | 66,933 | 69,369 |
| Settlement is usually made within 30 days | | |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|---------------|---------------|
| | \$ | \$ |
| Note 9 – Provisions | | |
| Employee provisions | | |
| Office holders | | |
| Annual leave | 28,483 | 28,483 |
| Long service leave | 19,900 | 19,900 |
| Separation and redundancies | - | - |
| Other employee provisions | - | - |
| Subtotal employee provisions – office holders | 48,383 | 48,383 |
| Employees other than office holders | | |
| Annual leave | 22,145 | 21,483 |
| Long service leave | 3,903 | - |
| Separation and redundancies | - | - |
| Other employee provisions | - | - |
| Subtotal employee provisions – employees other than office holders | 26,048 | 21,483 |
| Total employee provisions | 74,431 | 69,866 |
| Current | | |
| Employee benefits | 70,528 | 69,866 |
| Other provisions | - | - |
| Total current provisions | 70,528 | 69,866 |
| Non-current | | |
| Employee benefits | 3,903 | - |
| Other provisions | - | - |
| Total current provisions | 3,903 | - |
| Total | 74,431 | 69,866 |

The balance of employee entitlements for the National Secretary has been frozen as at 31 March 2014. From 1 April 2014 the United Firefighters Union of Australia – Victorian Branch has taken responsibility for accruing all employee entitlements in relation to the position of The National Secretary. United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for The National Secretary from 1 April 2014.

Note 10 - Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and deposits. Cash at the beginning and end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|----------------------------------|----------------|----------------|
| Cash at Bank – Commonwealth Bank | 324,890 | 249,365 |
| Cash at Bank – Credit Union | 81,107 | 60,925 |
| | 324,890 | 249,365 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

405,997 310,290

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|
| | \$ | \$ |
| Note 10 - Notes to the statement of cash flows (continued) | | |
| (b) Reconciliation of cash flow from operating activities | | |
| Operating surplus | 86,117 | 97,984 |
| Adjustments for non-cash income and expense items: | | |
| Depreciation expense | 984 | 1,360 |
| Doubtful debts | 61 | 102 |
| Changes in operating assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | 6,416 | 26,421 |
| Increase/(decrease) in trade and other payables | (2,436) | (13,677) |
| Increase/(decrease) in provisions | 4,565 | (6,129) |
| Cash Inflow from operating activities | <u>95,707</u> | <u>106,061</u> |
| (c) Cash flow information | | |
| Cash inflows | 796,911 | 801,379 |
| Total cash inflows | <u>796,911</u> | <u>801,379</u> |
| | | |
| Cash outflows | 701,484 | 698,085 |
| Total cash outflows | <u>701,484</u> | <u>698,085</u> |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The following amounts relate to cash inflows/outflows from related party entities. The cash flows presented are on a gross basis including GST.

| | 2016 | | |
|---|--------------------|------------|-------------|
| | Subscription \$ | ACTU \$ | Total \$ |
| Cash from operating activities | | | |
| Receipts from members and related activities include the following amounts received from related parties: | | | |
| United Firefighters' Union – Queensland Branch | 168,225 | 11,040 | 179,265 |
| United Firefighters' Union – South Australian Branch | 74,888 | 4,795 | 79,683 |
| United Firefighters' Union – Tasmanian Branch | 28,302 | 1,629 | 29,931 |
| United Firefighters' Union – Victorian Branch | 265,672 | 15,410 | 281,082 |
| United Firefighters' Union – Western Australian Branch | 94,327 | 5,435 | 99,762 |
| United Firefighters' Union – Australian Capital Territory | 27,402 | 1,577 | 28,979 |
| United Firefighters' Union – Aviation Branch | 67,155 | 3,866 | 71,021 |
| | 725,971 | 43,752 | 769,723 |

| | 2016 | | |
|--|----------------------------------|----------------------------|-------------|
| | Rent and other services \$ | Contract services \$ | Total \$ |
| Payments to suppliers and employees include the following amounts paid to related parties: | | | |
| United Firefighters' Union – Victorian Branch | 33,869 | 93,339 | 127,208 |
| | 33,869 | 93,339 | 127,208 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2015 | | |
|---|--------------------|---------------|----------------|
| | Subscription \$ | ACTU \$ | Total \$ |
| Cash from operating activities | | | |
| Receipts from members and related activities include the following amounts received from related parties: | | | |
| United Firefighters' Union – Queensland Branch | 164,680 | 9,254 | 173,934 |
| United Firefighters' Union – South Australian Branch | 75,054 | 4,190 | 79,244 |
| United Firefighters' Union – Tasmanian Branch | 27,298 | 1,354 | 28,652 |
| United Firefighters' Union – Victorian Branch | 253,017 | 12,553 | 265,570 |
| United Firefighters' Union – Western Australian Branch | 90,208 | 4,479 | 94,687 |
| United Firefighters' Union – Australian Capital Territory | 27,696 | 1,374 | 29,070 |
| United Firefighters' Union – Aviation Branch | 61,857 | 3,069 | 64,926 |
| | 699,810 | 36,273 | 736,083 |

| | 2015 | | |
|--|---------------|----------------------------|---------------|
| | Rent \$ | Contract Services \$ | Total \$ |
| Payments to suppliers and employees include the following amounts paid to related parties: | | | |
| United Firefighters' Union – Victorian Branch | 18,655 | 77,892 | 96,547 |
| | 18,655 | 77,892 | 96,567 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| | \$ | \$ |

Note 11 - Financial risk management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instrument are as follows:

Financial assets

| | | |
|--|----------------|----------------|
| Cash and cash on hand | 405,997 | 310,290 |
| Loans and receivables | | |
| Trade and other receivables | - | 6,477 |
| Carrying amount of financial assets | 405,997 | 316,767 |

Financial liabilities

| | | |
|---|---------------|---------------|
| Other financial liabilities | | |
| Trade and other payables | 66,932 | 69,369 |
| Carrying amount of financial liabilities | 66,932 | 69,369 |

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

(a) Net income and expense from financial assets and financial liabilities

| | | |
|---------------------------------------|------------|------------|
| Cash and cash on hand | | |
| Interest revenue | 280 | 243 |
| Net gain on cash and cash on hand | 280 | 243 |
| Net gain from financial assets | 280 | 243 |

The net income/expense from financial liabilities is \$nil (2015: \$nil)

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 11 - Financial risk management (continued)

(b) Fair value of financial instruments

| | 2016 | | 2015 | |
|------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | Carrying amount \$ | Fair value \$ | Carrying amount \$ | Fair value \$ |
| Financial assets | | | | |
| Cash and cash on hand | 405,997 | 405,997 | 310,290 | 310,290 |
| Trade and other receivables | - | - | 6,477 | 6,477 |
| Total | 405,997 | 405,997 | 316,767 | 316,767 |
| Financial liabilities | | | | |
| Trade and other payables | 66,932 | 66,932 | 69,369 | 69,369 |
| Total | 66,932 | 66,932 | 69,369 | 69,369 |

(c) Credit risk

Credit risk refers to the risk of any default on any type of debt owing to the Union. The Union is exposed to credit risk on its subscription fees, trade debtors, and other debtors.

The following table illustrates the Unions' gross exposure to credit risk, excluding any collateral or credit enhancements

| | <u>2016</u> \$ | <u>2015</u> \$ |
|-----------------------------|-------------------|-------------------|
| Financial assets | | |
| Trade and other receivables | - | 6,477 |
| Total | - | 6,477 |

Credit quality of financial instruments not past due or individually determined as impaired

| | 2016 | | 2015 | |
|-----------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| | Not past due nor impaired \$ | Past due or impaired \$ | Not past due nor impaired \$ | Past due or impaired \$ |
| Trade and other receivables | - | 288,822 | 6,477 | 288,762 |
| | - | 288,822 | 6,477 | 288,762 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 11 - Financial risk management (continued)

(c) Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2016

| | 0 to 30 days \$ | 31 to 60 days \$ | 61 to 90 days \$ | 90+ days \$ | Total \$ |
|-----------------------------|-----------------------|------------------------|------------------------|----------------|-------------|
| Trade and other receivables | - | - | - | - | - |
| | - | - | - | - | - |

Ageing of financial assets that were past due but not impaired for 2015

| | 0 to 30 days \$ | 31 to 60 days \$ | 61 to 90 days \$ | 90+ days \$ | Total \$ |
|-----------------------------|-----------------------|------------------------|------------------------|----------------|-------------|
| Trade and other receivables | - | - | - | - | - |
| | - | - | - | - | - |

(d) 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 risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile; and
- Monitoring undrawn credit facilities.

Financial liability and financial asset maturity analysis

| | On demand | | Within 1 year | | Total contractual cash flow | |
|--|------------|------------|---------------|------------|-----------------------------|------------|
| | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ |
| Financial assets – cash flow realisable | | | | | | |
| Cash and cash equivalents | 405,997 | 310,290 | | - | 405,997 | 310,290 |
| Trade and other receivables | - | - | | 6,477 | - | 6,477 |
| Total anticipated inflows | 405,997 | 310,290 | | 6,477 | 405,997 | 316,767 |
| Trade and other payables | | - | 66,932 | 69,369 | 66,932 | 69,369 |
| Total contractual outflows | | - | 66,932 | 69,369 | 66,932 | 69,369 |
| Net inflow/(outflow) on financial instruments | 405,997 | 310,290 | (66,932) | (62,892) | 339,065 | 247,398 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Note 12 – Related party transactions | | |
| Revenue transactions in relation to branch subscriptions: | | |
| United Firefighters' Union – Queensland Branch | 152,932 | 149,709 |
| United Firefighters' Union – South Australian Branch | 68,080 | 68,232 |
| United Firefighters' Union – Tasmanian Branch | 25,729 | 24,816 |
| United Firefighters' Union – Victorian Branch | 241,520 | 230,015 |
| United Firefighters' Union – Western Australian Branch | 85,752 | 82,007 |
| United Firefighters' Union – New South Wales Branch | 104 | 102 |
| United Firefighters' Union – Australian Capital Territory | 24,911 | 25,178 |
| United Firefighters' Union – Aviation Branch | 61,050 | 56,234 |
| | 660,077 | 636,293 |
| Revenue transactions in relation to affiliation fees: | | |
| United Firefighters' Union – Queensland Branch | 10,036 | 8,413 |
| United Firefighters' Union – South Australian Branch | 4,359 | 3,809 |
| United Firefighters' Union – Tasmanian Branch | 1,481 | 1,231 |
| United Firefighters' Union – Victorian Branch | 14,009 | 11,412 |
| United Firefighters' Union – Western Australian Branch | 4,941 | 4,072 |
| United Firefighters' Union – New South Wales Branch | 13 | 11 |
| United Firefighters' Union – Australian Capital Territory | 1,434 | 1,249 |
| United Firefighters' Union – Aviation Branch | 3,515 | 2,790 |
| | 39,789 | 32,987 |
| The above affiliation fees are collected by the National Office and paid to the Australian Council of Trade Unions (ACTU) on behalf of the branches. | | |
| Total revenue transactions with related parties | 699,866 | 669,280 |
| Expense transactions in relation to rent and other services: | | |
| United Firefighters' Union – Victorian Branch | | |
| Rent and other services | 30,790 | 18,655 |
| Contract services (note 4(a)) | 84,854 | 77,892 |
| Total expense transactions with related parties | 115,644 | 96,547 |
| Expense reimbursements to related parties are not included in the above disclosure. Amounts reimbursed to branches are equal to the total amount charged by the third party. | | |
| The following balances were outstanding at the end of the period: | | |
| Trade receivables | | |
| United Firefighters' Union – New South Wales Branch | 288,822 | 288,762 |
| | 288,822 | 288,762 |
| Provision for doubtful debts | | |
| United Firefighters' Union – New South Wales Branch | (288,822) | (288,762) |
| Total amounts owed by related parties | - | - |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|---------------|--------------|
| | \$ | \$ |
| Note 12 – Related party transactions (continued) | | |
| Trade payables | | |
| United Firefighters' Union – South Australian Branch | - | 1,322 |
| United Firefighters' Union – Victorian Branch | 11,000 | 1,100 |
| United Firefighters' Union – Western Australian Branch | 1,702 | - |
| Total amounts owed to related parties | 12,702 | 2,422 |

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Note 13 – Key management personnel

The total remuneration paid to elected officials of the Branch during the period is as follows:

| | | |
|---|----------------|----------------|
| Short-term employee benefits | | |
| Salary | - | 22,518 |
| Back pay adjustment (i) | - | 21,133 |
| Contract services (ii) | 84,854 | 77,892 |
| Allowances | - | - |
| Honorarium | 31,009 | 4,248 |
| Total short-term employee benefits | 115,863 | 125,791 |
| Post-employment benefits | | |
| Superannuation | 2,946 | 4,147 |
| Total post-employment benefits | 2,946 | 4,147 |
| Total employee benefits | 118,809 | 129,938 |

(i) Per an independent review of National Secretary remuneration, an adjustment for pay was required. The amount paid was in relation to several years' wages as well as entitlements.

(ii) From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch. The United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for the National Secretary.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 14 - Commitments and contingencies

The dispute between the National Office and a State Branch remains unresolved at the date of signing the committee report despite cessation of legal proceedings during the 2012 financial year. Membership dues owing from that Branch are in dispute and remain unpaid at year end. These amounts were fully provided for as at 30 June 2016 and will continue to be provided for until the dispute is resolved.

United Firefighters Union of Australia rents office space from the United Firefighters Union - Victorian Branch. Under the current arrangement the space is leased to the Victorian Branch on a month by month basis with rent payable one month in advance. On the basis the arrangement may be ended at any stage it has not been treated as an on-going commitment for disclosure purposes.

The United Firefighters Union of Australia has agreed to contribute \$35,000 to United Firefighters Union – Victorian Branch to assist in the campaign. The payment has been made after the end of the financial year.

Note 15 - After balance date events

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 on-going dispute with one of the state branches, as disclosed in Note 14, remains unchanged after balance date up to the date of signing of this report.

Note 16 - Notice required under the Fair Work (Registered Organisations) Act 2009:

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

Information to be provided to members or the General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

Note 17 - Union details

(a) Registered office

The registered office of the Union is:
United Firefighters' Union of Australia
410 Brunswick Street
Fitzroy VIC 3065

(b) Principal place of business

The principal place of business is:
410 Brunswick Street
Fitzroy VIC 3065



23 February 2017

Mr Peter Marshall
National Secretary
United Firefighters' Union of Australia
410 Brunswick Street
FITZROY VIC 3065

via email: p.marshall@ufuVIC.asn.au
ufunational@ufunat.asn.au

Dear Mr Marshall

United Firefighters' Union of Australia Financial Report for the year ended 30 June 2016 - [FR2016/238]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the United Firefighters' Union of Australia (**the reporting unit**). The financial report was lodged with the Fair Work Commission (**FWC**) on 21 December 2016.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (**GPFR**) and the Operating Report will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management meeting, republished on the reporting unit website and lodged with the FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*, *Fair Work (Registered Organisations) Regulations 2009 (the RO Regs)*, the 4th edition of the Reporting Guidelines (**RG**) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports the reporting unit should consult the template 'Model Financial Statements' which is available from the FWC website.

Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the Operating Report provides a review of the principal activities, but does not explain the results of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a financial result nor significant financial changes. It requires a description of the results from providing services to members.

These requirements are in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Number of employees

Subsection 254(2)(f) and Regulation 159(b) requires that the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit to be disclosed in the Operating Report. Regulation 159(b) also requires that where the number of employees includes both full-time and part-time employees to be measured on a full-time equivalent basis.

The Operating Report stated that '*the number of persons who were at the end of the financial year employees of the organisation was one full-time and one part-time*'. The number of employees must be expressed as full-time equivalent, therefore the operating report will need to be amended accordingly and resubmitted to the FWC.

Officers and employees who are directors of a company

The information disclosed under the heading '*officers and employees who are directors of a company*' refers to a requirement within the 3rd edition of the Reporting Guidelines which has been removed from the current Reporting Guidelines (i.e. the 4th edition) and is no longer required.

Notes to the financial statements

Under *Note 1 Statement of Compliance* refers is made '*...the provisions of Section 271 of the Fair Work (Registered Organisations) Act 2009.*' Section 271 of the RO Act relates to a reporting unit obtaining exemption from the requirements of Part 3, Chapter 8 of the RO Act due to the reporting unit having no financial affairs in a financial year. This refers is incorrect and should be amended or removed.

Financial Risk Management

Financial instruments disclosures

I note that the information relating to trade and other receivables for the 2015 financial year have not been included in the relevant table within *Note 11(c) Credit Risk*. Please amend accordingly.

Statement of Comprehensive Income

Disclosure of employee expenses to office holders and other employees

The employee expense note to the financial statements has disclosed wages and salaries, superannuation, leave and other entitlements and other employee expenses separately for officer holders and employees, but does not separately disclose separation and redundancies for officers and employees.

The Reporting Guidelines require that all employee and office holder expenses be detailed separately (refer to items 16(f) and 16(g)).

Please note that Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Disclosure of fees or allowances in respect of attendance at meetings

Reporting Guideline 16(h) requires separate disclosure of fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings. Note 4(e) to the report discloses conference and meeting costs. Any allowances, if applicable, must be separately disclosed.

Disclosure of audit fees

Australian Accounting Standard *AASB 1054 Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for the audit or review of the financial statements and for all other services performed.

Note 5 discloses audit fees as required by AASB 1054 but the figure reported in Note 5 does not reconcile with the figure for '*audit and accounting fees*' in the Statement of Comprehensive Income.

Statement of Financial Position

Property, plant and equipment reconciliation

Australian Accounting Standard AASB 116 *Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While Note 7 provides this reconciliation, in relation to the additions under office furniture and equipment for the 2016 financial year, a corresponding item in the Cash Flow Statement relating to Cash Flow from Investing Activities does not exist. Please amend accordingly.

Disclosure of employee provisions to office holders and other employees

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Trade Payables

The information contained in *Note 8 Trade and other payables*, discloses a payable to the Victorian Branch of the United Firefighters' Union for the 2016 financial year of \$11,000 however *Note 12 Related party transactions* states this amount as \$0. Please amend accordingly

Reconciliation between reporting units

As required within the Reporting Guidelines, transactions between reporting units within a registered organisation must be appropriately disclosed. As part of the assessment of the lodged financial return for the reporting unit I note that various transactions have occurred between the reporting unit and the other Branches of the United Firefighters' Union of Australia. To ensure that consistent information is being disclosed, a reconciliation between the lodged financial statements has been conducted. During this review the following discrepancies have been noted:

National office and Australian Capital Territory Branch

| | 2016 | 2015 |
|---------------------|--------|--------|
| | \$ | \$ |
| Cash Inflow | | |
| National – from ACT | 28,979 | 29,070 |
| Cash Outflow | | |
| ACT – to National | 28,136 | 26,427 |

National office and Victorian Branch

| | 2016 | 2015 |
|-------------------------------------|--------|--------|
| | \$ | \$ |
| Cash Inflow | | |
| National – from Vic for ACTU levies | 15,410 | 12,553 |
| Cash Outflow | | |
| Vic – to National | - | - |

| | | |
|---------------------|---------|--------|
| Cash Outflow | | |
| National – to Vic | 127,208 | 96,547 |
| Cash Inflow | | |
| Vic – from National | 127,059 | 96,547 |

National office and Queensland Branch

| | | |
|---|-------------|-------------|
| | 2016 | 2015 |
| | \$ | \$ |
| Levies (ACTU affiliation levies) | | |
| National – from Qld | 10,036 | 8,413 |
| Qld – to National | 10,036 | 8,621 |

Trade Payables

| | | |
|--------------------------|---|---|
| National – to Qld Branch | - | - |
|--------------------------|---|---|

Trade Receivables

| | | |
|---------------------|---|-----|
| Qld – from National | - | 794 |
|---------------------|---|-----|

Cash Inflow

| | | |
|---------------------|---------|---------|
| National – from Qld | 179,265 | 173,934 |
|---------------------|---------|---------|

Cash Outflow

| | | |
|-------------------|---------|---------|
| Qld – to National | 153,304 | 149,709 |
|-------------------|---------|---------|

National office and South Australia Branch

| | | |
|---|-------------|-------------|
| | 2016 | 2015 |
| | \$ | \$ |
| Levies (ACTU affiliation levies) | | |
| National – from SA | 4,358 | 3,809 |
| SA – to National | - | - |

Trade Payables

| | | |
|-------------------------|---|-------|
| National – to SA Branch | - | 1,322 |
|-------------------------|---|-------|

Trade Receivables

| | | |
|--------------------|---|---|
| SA – from National | - | - |
|--------------------|---|---|

Cash Inflow

| | | |
|--------------------|--------|--------|
| National – from SA | 79,683 | 79,244 |
|--------------------|--------|--------|

Cash Outflow

| | | |
|------------------|---|---|
| SA – to National | - | - |
|------------------|---|---|

National office and Tasmanian Branch

| | 2016 | 2015 |
|---------------------|-------------|-------------|
| | \$ | \$ |
| Cash Inflow | | |
| National – from Tas | 29,931 | 28,652 |
| Cash Outflow | | |
| Tas – to National | 29,424 | 29,778 |

Please amend the financial statements of the reporting unit accordingly or provide an explanation for the differences.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

DESIGNATED OFFICER'S CERTIFICATE

UNITED FIREFIGHTERS UNION OF AUSTRALIA

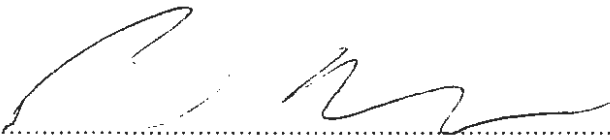
s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the period ended June 2016

I Peter Marshall being the National Secretary of the United Firefighters Union of Australia certify:

- that the documents lodged herewith are copies of the full report for the United Firefighters Union of Australia for the period ended June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 10 December 2016; and
- that the full report was presented to a meeting of the National Committee of Management of the reporting unit on 21 December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



.....

Peter Marshall

National Secretary

Dated: 21 December 2016

UNITED FIREFIGHTERS UNION OF AUSTRALIA

ABN 51 824 544 079

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079**

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2016**

CONTENTS

| | <u>Page</u> |
|---|-------------|
| Financial Statements | |
| Operating report | 1 |
| Committee of management certificate | 4 |
| Independent audit report | 5 |
| Statement of comprehensive income | 7 |
| Statement of financial position | 8 |
| Statement of changes in members' equity | 9 |
| Statement of cash flows | 10 |
| Notes to the financial statements | 11 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2016

In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009, your Committee of Management present their report on the Union for the financial year ended 30 June 2016.

Principal activities

The principal activities of United Firefighters Union of Australia during the financial year were to represent professional fire fighters and their safety.

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

Operating result

The operating surplus of the Union for the financial year amounted to \$86,117 (2015: \$97,984). No provision for tax was necessary as the reporting unit is exempt from income tax.

Significant changes in state of affairs

No significant changes in the Unions' state of affairs occurred during the financial year.

The dispute with one of the state branches, as reported in previous financial reports, remains unresolved. Legal proceeding ceased during the 2012 financial year and no further action has been undertaken by the Union during the 2016 financial year regarding this matter.

Outstanding dues owing from the branch continue to be fully provided for.

After balance day events

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.

Rights of members

Subject to the rules of the organisation and Sec 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership of the organisations by written notice addressed to and delivered to the secretary of the organisations.

Superannuation officeholders

The following members of the committee of management are directors of a company that is a trustee of a superannuation entity.

| Name | Branch | Company |
|----------------------|-----------------|---|
| Greg Northcott | South Australia | SA Metropolitan Fire Service Superannuation Pty Ltd |
| Michael Vander-Jeugd | South Australia | SA Metropolitan Fire Service Superannuation Pty Ltd |
| Chris Read | New South Wales | NSW Fire Brigades Superannuation Pty Ltd |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2016

Superannuation officeholders (continued)

No members of the committee of management are an individual trustee of a superannuation entity.

Officers and employees who are directors of a company

The following members of the committee of management hold the following positions. The positions are not held as a result of the individual being a committee member of the Union.

| Name | Branch | Company | Position | Principal activities |
|--------------------------|-----------------|-------------------|-----------------|-----------------------------|
| Michael Vander- Jeugd | South Australia | Van Hutch Pty Ltd | Director | Painting |

Other prescribed information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Act 2009:

- (a) the number of persons that were at the end of the financial year recorded in the register of members for section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the registered organisations under section 244 of the Fair Work (Registered Organisations) Act 2009 was 9,717.
- (b) the number of persons who were at the end of the financial year employees of the organisation was one full time and one part-time employee.

The role of National Secretary is not included in the above employee numbers. From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch.

- (c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

| Office | Name | Period |
|------------------------------|-----------------|----------------------------|
| National Office | Greg Northcott | 1 July 2015 – 30 June 2016 |
| | Peter Marshall | 1 July 2015 – 30 June 2016 |
| Representing New South Wales | Chris Read | 1 July 2015 – 30 June 2016 |
| Representing Victoria | Peter Marshall | 1 July 2015 – 30 June 2016 |
| | David Hamilton | 1 July 2015 – 30 June 2016 |
| | Anthony Trimble | 1 July 2015 – 30 June 2016 |
| | Ken Brown | 1 July 2015 – 30 June 2016 |
| Representing Queensland | Danny Ward | 1 July 2015 – 30 June 2016 |
| | John Oliver | 1 July 2015 – 30 June 2016 |
| | Mark Dearlove | 1 July 2015 – 10 May 2016 |
| | Lawrence Cullen | 11 May 2016 – 30 June 2016 |
| | Shane Malley | 1 July 2015 – 30 June 2016 |
| | Peter Draper | 1 July 2015 – 30 June 2016 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2016

Other prescribed information (continued)

| Office | Name | Period |
|---|--------------------------|-----------------------------------|
| Representing South Australia | Greg Northcott | 1 July 2015 – 30 June 2016 |
| | Michael Vander-Jeugd | 1 July 2015 – 30 June 2016 |
| Representing Western Australia | Kevin Jolly | 1 July 2015 – 30 June 2016 |
| | Lea Anderson | 1 July 2015 – 30 June 2016 |
| Representing Aviation | Henry Lawrence | 1 July 2015 – 30 June 2016 |
| | Jon Vaughan | 1 July 2015 – 30 June 2016 |
| Representing Australian Capital Territory | Greg McConville (Acting) | 16 October 2015 – 9 February 2016 |
| | Greg McConville | 10 February 2016 – 30 June 2016 |
| | Vacant Position | 1 July 2015 – 15 October 2015 |
| Representing Tasmania | Greg Cooper | 1 July 2015 – 30 June 2016 |

Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:



GREG NORTHCOTT
PRESIDENT

Dated at Adelaide this 7th day of December 2016.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

COMMITTEE OF MANAGEMENT CERTIFICATE

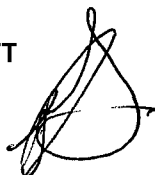
On the 7th day of December 2016 the Committee of Management of the United Firefighters' Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2016.

The Committee of Management declares that 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 General Manager;
- (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; and
- (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 Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) In relation to the recovery of wages activity
 - (i) There were no recovery of wages activity for the Union during the year ended 30 June 2016.

This declaration is made in accordance with a resolution of the Committee of Management:

GREG NORTHCOTT
PRESIDENT



Dated at

this

7th day of December 2016

**INDEPENDENT AUDITOR REPORT
TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA**

We have audited the financial report of United Firefighters Union of Australia, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, the committee of management certificate, 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 and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Union's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Declaration

We are an approved auditor for the purposes of Fair Work (Registered Organisations) Act 2009 and we are a member of the Chartered Accountants Australia and New Zealand and hold a current Certificate of Public Practice.

KIDMANS PARTNERS AUDIT PTY LTD – ABN 46 143 986 841

(incorporating Harmon Partners)
www.kidmanspartners.com.au

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T: (613) 9836 2900 F: (613) 9836 5233

Postal Address:
P.O. BOX 718, BALWYN
VICTORIA, AUSTRALIA 3103

Offices in:
BALWYN
LILYDALE
SYDNEY

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of United Firefighters Union of Australia as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

We are also of the opinion that management's use of the going concern basis of accounting in the preparation of the financial statements was appropriate.

Kidmans Partners Audit Pty Ltd
Chartered Accountants



Heinz Mai
Director

Dated at Melbourne this *7th* day of *December* 2016

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

| INCOME | Notes | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------------|--------------------|
| | | \$ | \$ |
| Branch subscriptions | 3(a) | 660,077 | 636,293 |
| Affiliation fees | 3(b) | 39,789 | 32,987 |
| Magazine revenue | | 18,182 | 30,000 |
| Interest received | | 280 | 243 |
| Other income | | - | 5,750 |
| | | <u>718,328</u> | <u>705,273</u> |
| | | | |
| Administration and other operating costs | | | |
| Affiliation fees | 4(c) | 63,124 | 54,020 |
| Doubtful debts | | 61 | 102 |
| Bank charges | | 180 | 30 |
| Campaign costs | | 1,545 | 2,807 |
| Computer expenses | | 30 | - |
| Consultancy | | 17,128 | 24,334 |
| Depreciation | | 984 | 1,360 |
| General expenses | | 7,280 | - |
| Legal fees | 4(g) | 44,345 | 16,904 |
| Printing, postage and stationery | | 18,059 | 16,282 |
| Promotional and magazine expenses | | 8,426 | 3,465 |
| Rent, services and occupancy expenses | | 32,227 | 23,299 |
| Storage | | 2,636 | 3,145 |
| Subscriptions and donations | 4(d) | 1,000 | 500 |
| Travelling | | - | 1,979 |
| Web hosting | | 10,000 | 1,077 |
| | | <u>207,025</u> | <u>149,304</u> |
| | | | |
| Audit and accounting fees | 5 | <u>32,000</u> | <u>37,000</u> |
| | | | |
| Employment costs | 4(a) | <u>286,333</u> | <u>300,658</u> |
| | | | |
| Conference and meetings | 4(e) | <u>106,853</u> | <u>120,327</u> |
| | | | |
| TOTAL EXPENDITURE | | <u>632,211</u> | <u>607,289</u> |
| | | | |
| OPERATING SURPLUS | | 86,117 | 97,984 |
| Accumulated surplus at beginning of year | | <u>181,431</u> | <u>83,447</u> |
| ACCUMULATED SURPLUS AT 30 JUNE 2016 | | <u>267,548</u> | <u>181,431</u> |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Notes | <u>2016</u> | <u>2015</u> |
|--------------------------------------|-------|----------------|----------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash at bank | 10(a) | 405,997 | 310,290 |
| Trade and other receivables | 6 | - | 6,477 |
| Total current assets | | <u>405,997</u> | <u>316,767</u> |
| Non current assets | | | |
| Plant and equipment | 7 | 2,915 | 3,899 |
| Total non current assets | | <u>2,915</u> | <u>3,899</u> |
| TOTAL ASSETS | | <u>408,912</u> | <u>320,666</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 66,933 | 69,369 |
| Provisions | 9 | 70,528 | 69,866 |
| Total current liabilities | | <u>137,461</u> | <u>139,235</u> |
| Non current liabilities | | | |
| Provisions | 9 | 3,903 | - |
| Total non current liabilities | | <u>3,903</u> | <u>-</u> |
| TOTAL LIABILITIES | | <u>141,364</u> | <u>139,235</u> |
| NET ASSETS | | <u>267,548</u> | <u>181,431</u> |
| MEMBERS' EQUITY | | | |
| Members' funds | | <u>267,548</u> | <u>181,431</u> |
| TOTAL MEMBERS' EQUITY | | <u>267,548</u> | <u>181,431</u> |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

| | Members' | |
|--------------------------------|-----------------|--------------|
| | funds | Total |
| | \$ | \$ |
| Balance at 1 July 2014 | 83,447 | 83,447 |
| Surplus for the year | 97,984 | 97,984 |
| Balance at 30 June 2015 | 181,431 | 181,431 |
| Surplus for the year | 86,117 | 86,117 |
| Balance at 30 June 2016 | 267,548 | 267,548 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

| | Note | <u>2016</u> | <u>2015</u> |
|--|-------|----------------|----------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (including members and related activities) | 10(c) | 796,911 | 801,379 |
| Payment to suppliers and employees | 10(c) | (701,484) | (698,085) |
| Interest received | | 280 | 243 |
| Net cash provided by operating activities | 10(b) | <u>95,707</u> | <u>103,537</u> |
| Net increase in cash held | | 95,707 | 103,537 |
| Cash at the beginning of the financial year | | <u>310,290</u> | <u>206,753</u> |
| Cash at end of financial year | 10(a) | <u>405,997</u> | <u>310,290</u> |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 –Significant accounting policies

Statement of compliance

These accounts are the accounts of the national body of the United Firefighters Union of Australia. They do not include the accounts of each of the branches of the Union which are constituted under its rules and in accordance with the provisions of Section 271 of the Fair Work (Registered Organisations) Act 2009.

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

Basis of preparation

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Comparative amounts

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

(b) Employee benefits

Provision is made for the Union'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 long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

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

(c) 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.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(d) Plant and equipment

Office furniture, equipment, software and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

| | |
|------------------------|----------|
| Plant and equipment | 15 – 67% |
| Computer software | 40% |
| Leasehold improvements | 2.5% |

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

All plant and equipment is assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(e) Income tax

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

(f) Cash and cash equivalents

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

(g) Goods and Services Tax (GST)

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable. In accordance with generally accepted accounting principles for such organisations, branch contributions are accounted for on an accrual basis.

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

(i) Financial assets

Financial assets are classified into the following specified categories: held-to-maturity investments, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Union has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Derecognition of financial assets

The Union derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Significant accounting policies (continued)

(j) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the assets carrying amount and the present value of future cash flows, discounted at the financial asset's original effective interest rate.

(k) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Union derecognises financial liabilities when, and only when, the Union's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Leases

Operating lease payment are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

(m) Contingent liabilities and contingent assets

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

(n) Significant accounting judgements and estimates

The preparation of financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(o) Fair value measurement

The United Firefighters Union of Australia measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 11B.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the United Firefighters Union of Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(p) Going concern

United Firefighters Union of Australia is not reliant on the agreed financial support of another reporting unit to continue on a going basis.

United Firefighters Union of Australia has not agreed to provide financial support to another reporting unit to ensure they can continue on a going basis.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

Note 2 – Application of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have not affected the amounts reported in these financial statements.

Standard

AASB 2013-9 'Amendments to Australian Accounting Standards: Conceptual Framework, Materiality and Financial Instruments'.

AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'.

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

| <u>Standard/Interpretation</u> | <u>Effective for annual reporting periods beginning on or after</u> | <u>Expected to be initially applied in the financial year ending</u> |
|---|---|--|
| AASB 9 'Financial Instruments' Includes requirements for the classification and measurement of financial assets | 1 January 2018 | 30 June 2018 |
| AASB 15 'Revenue from contracts with customers' Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entities contracts with customers. | 1 January 2018 | 30 June 2018 |
| AASB 16 'Lease' Introduces a single lessee accounting model and requires lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. | 1 January 2019 | 30 June 2019 |

The Committee of Management anticipates that the adoption of the above standards or interpretations will not have an impact on the Union's financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|
| | \$ | \$ |
| Note 3 – Income | | |
| (a) Capitation fees | | |
| Capitation fees are receivable from State Branches based on membership numbers and paid quarterly in arrears. | | |
| Capitation fees rendered for the year ended 30 June 2016 are made up as follows: | | |
| United Firefighters' Union – Queensland Branch | 152,932 | 149,709 |
| United Firefighters' Union – South Australian Branch | 68,080 | 68,232 |
| United Firefighters' Union – Tasmanian Branch | 25,729 | 24,816 |
| United Firefighters' Union – Victorian Branch | 241,520 | 230,015 |
| United Firefighters' Union – Western Australian Branch | 85,752 | 82,007 |
| United Firefighters' Union – New South Wales Branch | 104 | 102 |
| United Firefighters' Union – Australian Capital Territory | 24,911 | 25,178 |
| United Firefighters' Union – Aviation Branch | 61,050 | 56,234 |
| Total capitation fees | 660,077 | 636,293 |
| (b) Levies | | |
| ACTU affiliation levies rendered for the year ended 30 June 2016 are made up as follows: | | |
| United Firefighters' Union – Queensland Branch | 10,036 | 8,413 |
| United Firefighters' Union – South Australian Branch | 4,358 | 3,809 |
| United Firefighters' Union – Tasmanian Branch | 1,481 | 1,231 |
| United Firefighters' Union – Victorian Branch | 14,009 | 11,412 |
| United Firefighters' Union – Western Australian Branch | 4,941 | 4,072 |
| United Firefighters' Union – New South Wales Branch | 13 | 11 |
| United Firefighters' Union – Australian Capital Territory | 1,434 | 1,249 |
| United Firefighters' Union – Aviation Branch | 3,515 | 2,790 |
| Total levies | 39,789 | 32,987 |
| (c) Grants or donations | | |
| Grants | - | - |
| Donations | - | - |
| Total Grants or donations | - | - |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Note 4 – Expenses | | |
| (a) Employee expenses | | |
| Holders of office | | |
| Wages and salaries | - | 22,518 |
| Back pay adjustment | - | 21,133 |
| Contract services (i) | 84,854 | 77,892 |
| Superannuation | 2,946 | 4,147 |
| Movement in leave and other entitlements | - | - |
| Other employee expenses | - | - |
| Honorary | 31,009 | 4,248 |
| Subtotal employee expenses – holders of office | 118,809 | 129,938 |
| Employees other than office holders | | |
| Wages and salaries | 137,980 | 145,702 |
| Superannuation | 23,187 | 24,774 |
| Movement in leave and other entitlements | 4,564 | (5,379) |
| Other employee expenses | 429 | 3,643 |
| Subtotal employee expenses – employees other than office holders | 166,160 | 168,740 |
| Other employee expenses - work cover insurance | 1,364 | 1,980 |
| Total employee expenses | 286,333 | 300,658 |
| (i) Reimbursement of wages paid to National Secretary by the United Firefighters Union – Victorian Branch. The total amount paid to the Victorian Branch from 1 July 2015 to 30 June 2016 included in the above holders of office amounts: | | |
| Contract services | 84,854 | 77,892 |
| Superannuation | - | - |
| Movement in leave and other entitlements | - | - |
| | 84,854 | 77,892 |
| (b) Capitation fees | | |
| | - | - |
| Total Capitation fees | - | - |
| (c) Affiliation fees | | |
| ACTU Affiliation | 45,645 | 33,840 |
| ACTU IR Levy | 16,660 | 19,398 |
| APHEDA | 818 | 782 |
| Total Affiliation fees | 63,124 | 54,020 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| (d) Grants or donations | | |
| Grants: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | 1,000 | 500 |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | 1,000 | 500 |
| (e) Conference and meeting costs | | |
| Conference and meeting travel expenses | 68,511 | 71,950 |
| Venue and catering costs | 26,345 | 30,602 |
| Teleconferencing | 7,605 | 4,405 |
| Other conference and meeting expenses | 4,392 | 13,370 |
| | 106,853 | 120,327 |
| (f) Administration and other operating expenses | | |
| Operating lease rentals | | |
| Minimum lease payments | 18,790 | 18,655 |
| | 18,790 | 18,655 |
| (g) Legal costs | | |
| Litigation | - | - |
| Other legal matters | 44,346 | 16,904 |
| Total legal costs | 44,346 | 16,904 |
| Note 5 – Remuneration of auditors | | |
| Remuneration of the auditor of the Union for: | | |
| Audit of the financial report | 12,000 | 11,000 |
| Other services | - | 26,000 |
| Total remuneration of auditors | 12,000 | 37,000 |

The auditor of United Firefighters Union of Australia is Kidman Partners (2015 Agostinelli Perlen).

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Note 6 – Trade and other receivables | | |
| Receivables from other reporting units | | |
| United Firefighters' Union – New South Wales | 288,822 | 288,762 |
| Total receivables from other reporting units | 288,822 | 288,762 |
| Less provision for doubtful debts | | |
| United Firefighters' Union – New South Wales | 288,822 | 288,762 |
| Total provision for doubtful debts | 288,822 | 288,762 |
| Net receivables from other reporting units | - | - |
| A provision for doubtful debts has been booked in the accounts representing a disputed amount payable by a State Branch. | | |
| Other receivables | | |
| Other trade receivables | - | 6,477 |
| Total other receivables | - | 6,477 |
| Total net trade and other receivables | - | 6,477 |
| Note 7 – Plant and equipment | | |
| Office furniture and equipment - at cost | 4,191 | 4,191 |
| Less: accumulated depreciation | (3,503) | (2,584) |
| | 688 | 1,607 |
| Leasehold Improvements | 2,591 | 2,591 |
| Less: accumulated depreciation | (364) | (299) |
| | 2,227 | 2,292 |
| | 2,915 | 3,899 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 7 – Plant and equipment (continued)

Movements in carrying amounts

Movement in the carrying amount for each class of plant and equipment between the beginning and the end of the current financial year:

| | Office furniture and equipment | Computer software | Leasehold improvements | Total |
|---------------------------------|---|------------------------------|-----------------------------------|--------------|
| | \$ | \$ | \$ | \$ |
| Cost | | | | |
| Balance at 1 July 2014 | 1,667 | 10,182 | 2,591 | 14,440 |
| Additions/(Disposals) | 2,524 | (10,182) | - | (7,658) |
| Balance at 30 June 2015 | 4,191 | - | 2,591 | 6,782 |
| Additions/(Disposals) | - | - | - | - |
| Balance at 30 June 2016 | 4,191 | - | 2,591 | 6,782 |
| Accumulated depreciation | | | | |
| Balance at 1 July 2014 | (1,289) | (10,182) | (234) | (11,705) |
| Disposals | - | 10,182 | - | 10,182 |
| Depreciation expense | (1,295) | - | (65) | (1,360) |
| Balance at 30 June 2015 | (2,584) | - | (299) | (2,883) |
| Disposals | - | - | - | - |
| Depreciation expense | (919) | - | (65) | (984) |
| Balance at 30 June 2016 | (3,503) | - | (364) | (3,867) |

| | |
|--------------------|--------------------|
| <u>2016</u> | <u>2015</u> |
| \$ | \$ |

Note 8 – Trade and other payables

Payables to other reporting units

| | | |
|--|--------|-------|
| United Firefighters' Union – South Australian Branch | - | 1,322 |
| United Firefighters' Union – Victorian Branch | 11,000 | 1,100 |
| United Firefighters' Union – Western Australian Branch | 1,702 | - |
| Subtotal payables to other reporting units | 12,702 | 2,422 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

| | <u>2016</u> | <u>2015</u> |
|---|---------------|---------------|
| | \$ | \$ |
| Trade and other payables | | |
| Wages and salaries | 3,373 | - |
| Trade creditors | 14,329 | 2,352 |
| GST payable | 6,914 | 18,146 |
| PAYG Withholding Tax Payable | 6,646 | 21,721 |
| Superannuation | 3,050 | - |
| Legal Costs: | | |
| Litigation | - | - |
| Other legal matters | - | - |
| Consideration to employers for payroll deductions | - | - |
| Other | 19,919 | 24,728 |
| Subtotal trade and other payables | 54,231 | 66,947 |
| Total trade and other payables | 66,933 | 69,369 |

Settlement is usually made within 30 days

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Note 9 – Provisions | | |
| Employee provisions | | |
| Office holders | | |
| Annual leave | 28,483 | 28,483 |
| Long service leave | 19,900 | 19,900 |
| Subtotal employee provisions – office holders | 48,383 | 48,383 |
| Employees other than office holders | | |
| Annual leave | 22,145 | 21,483 |
| Long service leave | 3,903 | - |
| Subtotal employee provisions – employees other than office holders | 26,048 | 21,483 |
| Total employee provisions | 74,431 | 69,866 |
| Current | | |
| Employee benefits | 70,528 | 69,866 |
| Other provisions | - | - |
| Total current provisions | 70,528 | 69,866 |
| Non-current | | |
| Employee benefits | 3,903 | - |
| Other provisions | - | - |
| Total current provisions | 3,903 | - |
| Total | 74,431 | 69,866 |

The balance of employee entitlements for the National Secretary has been frozen as at 31 March 2014. From 1 April 2014 the United Firefighters Union of Australia – Victorian Branch has taken responsibility for accruing all employee entitlements in relation to the position of The National Secretary. United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for The National Secretary from 1 April 2014.

Note 10 - Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and deposits. Cash at the beginning and end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|----------------------------------|---------|---------|
| Cash at Bank – Commonwealth Bank | 324,890 | 249,365 |
| Cash at Bank – Credit Union | 81,107 | 60,925 |
| | 405,997 | 310,290 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|----------------|----------------|
| | \$ | \$ |
| Note 10 - Notes to the statement of cash flows (continued) | | |
| (b) Reconciliation of cash flow from operating activities | | |
| Operating surplus | 86,117 | 97,984 |
| Adjustments for non-cash income and expense items: | | |
| Depreciation expense | 984 | 1,360 |
| Doubtful debts | 61 | 102 |
| Changes in operating assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | 6,416 | 26,421 |
| Decrease/(increase) in other assets | - | (2,524) |
| Increase/(decrease) in trade and other payables | (2,436) | (13,677) |
| Increase/(decrease) in provisions | 4,565 | (6,129) |
| Cash Inflow from operating activities | 95,707 | 103,537 |
| (c) Cash flow information | | |
| Cash inflows | 796,911 | 801,379 |
| Total cash inflows | 796,911 | 801,379 |
| Cash outflows | 701,484 | 698,085 |
| Total cash outflows | 701,484 | 698,085 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The following amounts relate to cash inflows/outflows from related party entities. The cash flows presented are on a gross basis including GST.

| | 2016 | | |
|---|---------------------|-------------|--------------|
| | Subscription | ACTU | Total |
| | \$ | \$ | \$ |
| Cash from operating activities | | | |
| Receipts from members and related activities include the following amounts received from related parties: | | | |
| United Firefighters' Union – Queensland Branch | 168,225 | 11,040 | 179,265 |
| United Firefighters' Union – South Australian Branch | 74,888 | 4,795 | 79,683 |
| United Firefighters' Union – Tasmanian Branch | 28,302 | 1,629 | 29,931 |
| United Firefighters' Union – Victorian Branch | 265,672 | 15,410 | 281,082 |
| United Firefighters' Union – Western Australian Branch | 94,327 | 5,435 | 99,762 |
| United Firefighters' Union – Australian Capital Territory | 27,402 | 1,577 | 28,979 |
| United Firefighters' Union – Aviation Branch | 67,155 | 3,866 | 71,021 |
| | 725,971 | 43,752 | 769,723 |

| | 2016 | | |
|--|--------------------------------|--------------------------|--------------|
| | Rent and other services | Contract services | Total |
| | \$ | \$ | \$ |
| Payments to suppliers and employees include the following amounts paid to related parties: | | | |
| United Firefighters' Union – Victorian Branch | 33,869 | 93,339 | 127,208 |
| | 33,869 | 93,339 | 127,208 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2015 | | |
|---|---------------------|---------------|----------------|
| | Subscription | ACTU | Total |
| | \$ | \$ | \$ |
| Cash from operating activities | | | |
| Receipts from members and related activities include the following amounts received from related parties: | | | |
| United Firefighters' Union – Queensland Branch | 164,680 | 9,254 | 173,934 |
| United Firefighters' Union – South Australian Branch | 75,054 | 4,190 | 79,244 |
| United Firefighters' Union – Tasmanian Branch | 27,298 | 1,354 | 28,652 |
| United Firefighters' Union – Victorian Branch | 253,017 | 12,553 | 265,570 |
| United Firefighters' Union – Western Australian Branch | 90,208 | 4,479 | 94,687 |
| United Firefighters' Union – Australian Capital Territory | 27,696 | 1,374 | 29,070 |
| United Firefighters' Union – Aviation Branch | 61,857 | 3,069 | 64,926 |
| | 699,810 | 36,273 | 736,083 |

| | 2015 | | |
|--|---------------|--------------------------|---------------|
| | Rent | Contract Services | Total |
| | \$ | \$ | \$ |
| Payments to suppliers and employees include the following amounts paid to related parties: | | | |
| United Firefighters' Union – Victorian Branch | 18,655 | 77,892 | 96,547 |
| | 18,655 | 77,892 | 96,567 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|----------------|----------------|
| | \$ | \$ |
| Note 11 - Financial risk management | | |
| The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable. | | |
| The totals for each category of financial instrument are as follows: | | |
| Financial assets | | |
| Cash and cash on hand | 405,997 | 310,290 |
| Loans and receivables | | |
| Trade and other receivables | - | 6,477 |
| Carrying amount of financial assets | 405,997 | 316,767 |
| Financial liabilities | | |
| Other financial liabilities | | |
| Trade and other payables | 66,932 | 69,369 |
| Carrying amount of financial liabilities | 66,932 | 69,369 |
| The main risks the Union is exposed to through its financial instruments are liquidity risk and market risk through credit risk. | | |
| (a) Net income and expense from financial assets and financial liabilities | | |
| Cash and cash on hand | | |
| Interest revenue | 280 | 243 |
| Net gain on cash and cash on hand | 280 | 243 |
| Net gain from financial assets | 280 | 243 |

The net income/expense from financial liabilities is \$nil (2015: \$nil)

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 11 - Financial risk management (continued)

(b) Fair value of financial instruments

| | 2016 | | 2015 | |
|------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | Carrying amount \$ | Fair value \$ | Carrying amount \$ | Fair value \$ |
| Financial assets | | | | |
| Cash and cash on hand | 405,997 | 405,997 | 310,290 | 310,290 |
| Trade and other receivables | - | - | 6,477 | 6,477 |
| Total | 405,997 | 405,997 | 316,767 | 316,767 |
| Financial liabilities | | | | |
| Trade and other payables | 66,932 | 66,932 | 69,369 | 69,369 |
| Total | 66,932 | 66,932 | 69,369 | 69,369 |

(c) Credit risk

Credit risk refers to the risk of any default on any type of debt owing to the Union. The Union is exposed to credit risk on its subscription fees, trade debtors, and other debtors.

The following table illustrates the Unions' gross exposure to credit risk, excluding any collateral or credit enhancements

| | <u>2016</u> \$ | <u>2015</u> \$ |
|-----------------------------|-------------------|-------------------|
| Financial assets | | |
| Trade and other receivables | - | 6,477 |
| Total | - | 6,477 |

Credit quality of financial instruments not past due or individually determined as impaired

| | 2016 | | 2015 | |
|-----------------------------|---------------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| | Not past due nor impaired \$ | Past due or impaired \$ | Not past due nor impaired \$ | Past due or impaired \$ |
| Trade and other receivables | - | 288,822 | 6,477 | 288,762 |
| | - | 288,822 | 6,477 | 288,762 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 11 - Financial risk management (continued)

(c) Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2016

| | 0 to 30 days \$ | 31 to 60 days \$ | 61 to 90 days \$ | 90+ days \$ | Total \$ |
|-----------------------------|-----------------------|------------------------|------------------------|----------------|-------------|
| Trade and other receivables | - | - | - | - | - |
| | - | - | - | - | - |

Ageing of financial assets that were past due but not impaired for 2015

| | 0 to 30 days \$ | 31 to 60 days \$ | 61 to 90 days \$ | 90+ days \$ | Total \$ |
|-----------------------------|-----------------------|------------------------|------------------------|----------------|-------------|
| Trade and other receivables | - | - | - | - | - |
| | - | - | - | - | - |

(d) 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 risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile; and
- Monitoring undrawn credit facilities.

Financial liability and financial asset maturity analysis

| | On demand | | Within 1 year | | Total contractual cash flow | |
|--|------------|------------|---------------|------------|--------------------------------|------------|
| | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ |
| Financial assets – cash flow realisable | | | | | | |
| Cash and cash equivalents | 405,997 | 310,290 | | - | 405,997 | 310,290 |
| Trade and other receivables | - | - | | 6,477 | - | 6,477 |
| Total anticipated inflows | 405,997 | 310,290 | | 6,477 | 405,997 | 316,767 |
| Trade and other payables | | - | 66,932 | 69,369 | 66,932 | 69,369 |
| Total contractual outflows | | - | 66,932 | 69,369 | 66,932 | 69,369 |
| Net inflow/(outflow) on financial instruments | 405,997 | 310,290 | (66,932) | (62,892) | 339,065 | 247,398 |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Note 12 – Related party transactions | | |
| Revenue transactions in relation to branch subscriptions: | | |
| United Firefighters’ Union – Queensland Branch | 152,932 | 149,709 |
| United Firefighters’ Union – South Australian Branch | 68,080 | 68,232 |
| United Firefighters’ Union – Tasmanian Branch | 25,729 | 24,816 |
| United Firefighters’ Union – Victorian Branch | 241,520 | 230,015 |
| United Firefighters’ Union – Western Australian Branch | 85,752 | 82,007 |
| United Firefighters’ Union – New South Wales Branch | 104 | 102 |
| United Firefighters’ Union – Australian Capital Territory | 24,911 | 25,178 |
| United Firefighters’ Union – Aviation Branch | 61,050 | 56,234 |
| | 660,077 | 636,293 |
| Revenue transactions in relation to affiliation fees: | | |
| United Firefighters’ Union – Queensland Branch | 10,036 | 8,413 |
| United Firefighters’ Union – South Australian Branch | 4,359 | 3,809 |
| United Firefighters’ Union – Tasmanian Branch | 1,481 | 1,231 |
| United Firefighters’ Union – Victorian Branch | 14,009 | 11,412 |
| United Firefighters’ Union – Western Australian Branch | 4,941 | 4,072 |
| United Firefighters’ Union – New South Wales Branch | 13 | 11 |
| United Firefighters’ Union – Australian Capital Territory | 1,434 | 1,249 |
| United Firefighters’ Union – Aviation Branch | 3,515 | 2,790 |
| | 39,789 | 32,987 |
| The above affiliation fees are collected by the National Office and paid to the Australian Council of Trade Unions (ACTU) on behalf of the branches. | | |
| Total revenue transactions with related parties | 699,866 | 669,280 |
| Expense transactions in relation to rent and other services: | | |
| United Firefighters’ Union – Victorian Branch | | |
| Rent and other services | 30,790 | 18,655 |
| Contract services (note 4(a)) | 84,854 | 77,892 |
| Total expense transactions with related parties | 115,644 | 96,547 |
| Expense reimbursements to related parties are not included in the above disclosure. Amounts reimbursed to branches are equal to the total amount charged by the third party. | | |
| The following balances were outstanding at the end of the period: | | |
| Trade receivables | | |
| United Firefighters’ Union – New South Wales Branch | 288,822 | 288,762 |
| | 288,822 | 288,762 |
| Provision for doubtful debts | | |
| United Firefighters’ Union – New South Wales Branch | (288,822) | (288,762) |
| Total amounts owed by related parties | - | - |

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | <u>2016</u> | <u>2015</u> |
|---|--------------|--------------|
| | \$ | \$ |
| Note 12 – Related party transactions (continued) | | |
| Trade payables | | |
| United Firefighters’ Union – South Australian Branch | - | 1,322 |
| United Firefighters’ Union – Victorian Branch | - | 1,100 |
| United Firefighters’ Union – Western Australian Branch | 1,702 | - |
| Total amounts owed to related parties | 1,702 | 2,422 |

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Note 13 – Key management personnel

The total remuneration paid to elected officials of the Branch during the period is as follows:

| | | |
|---|----------------|----------------|
| Short-term employee benefits | | |
| Salary | - | 22,518 |
| Back pay adjustment (i) | - | 21,133 |
| Contract services (ii) | 84,854 | 77,892 |
| Allowances | - | - |
| Honorarium | 31,009 | 4,248 |
| Total short-term employee benefits | 115,863 | 125,791 |
| Post-employment benefits | | |
| Superannuation | 2,946 | 4,147 |
| Total post-employment benefits | 2,946 | 4,147 |
| Total employee benefits | 118,809 | 129,938 |

(i) Per an independent review of National Secretary remuneration, an adjustment for pay was required. The amount paid was in relation to several years’ wages as well as entitlements.

(ii) From 1 April 2014 the National Secretary is solely employed by the United Firefighters Union – Victorian Branch. The services of the National Secretary are contracted out from the Victorian Branch. The United Firefighters Union of Australia reimburses the Victorian Branch for all payroll expenses for the National Secretary.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 14 - Commitments and contingencies

The dispute between the National Office and a State Branch remains unresolved at the date of signing the committee report despite cessation of legal proceedings during the 2012 financial year. Membership dues owing from that Branch are in dispute and remain unpaid at year end. These amounts were fully provided for as at 30 June 2016 and will continue to be provided for until the dispute is resolved.

United Firefighters Union of Australia rents office space from the United Firefighters Union - Victorian Branch. Under the current arrangement the space is leased to the Victorian Branch on a month by month basis with rent payable one month in advance. On the basis the arrangement may be ended at any stage it has not been treated as an on-going commitment for disclosure purposes.

The United Firefighters Union of Australia has agreed to contribute \$35,000 to United Firefighters Union – Victorian Branch to assist in the campaign. The payment has been made after the end of the financial year.

Note 15 - After balance date events

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 on-going dispute with one of the state branches, as disclosed in Note 14, remains unchanged after balance date up to the date of signing of this report.

Note 16 - Notice required under the Fair Work (Registered Organisations) Act 2009:

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which read as follows:

Information to be provided to members or the General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 17 - Union details

(a) Registered office

The registered office of the Union is:
United Firefighters' Union of Australia
410 Brunswick Street
Fitzroy VIC 3065

(b) Principal place of business

The principal place of business is:
410 Brunswick Street
Fitzroy VIC 3065



24 November 2016

Mr Peter Marshall
National Secretary
United Firefighters' Union of Australia
410 Brunswick Street
FITZROY VIC 3065

Email: ufunational@ufunat.asn.au

Dear Mr Marshall

Section 265(5) Fair Work (Registered Organisations) Act 2009

Request by the United Firefighters' Union of Australia for extension of time to provide members with a copy of the financial report for the year ended 30 June 2016 (FR2016/238)

I acknowledge receipt on 18 November 2016 of a request for an extension of time to provide the members of the United Firefighters' Union of Australia (**the reporting unit**) with a copy of the financial report for the year ended 30 June 2016.

Your letter advises the reason for the request is due to the reporting unit being unable to provide members with a full report within 5 months of the end of the financial year that is, by 30 November 2016. You indicate that the financial statements were received on 17 November 2016 but they have not yet been considered by the national committee of management. The rules of the reporting unit require that 14 days' notice is to be given when calling a meeting of the national committee of management therefore this meeting cannot be convened prior to 30 November 2016. You further advised that the members of the national committee of management have been notified that a meeting will be held on Monday 5 December 2016 to consider the financial statements.

Where the financial report is to be presented to a meeting of the committee of management, sub section 265(5)(b) of the *Fair Work (Registered Organisations) Act 2009* requires that copies of the full or concise report be provided to members within 5 months of the end of the financial year, that is by 30 November 2016. Subsection 265(5) enables the General Manager of the Fair Work Commission, upon application by a reporting unit, to extend the period by no more than one month.

Having considered your reasons, I allow an extension of time for a period of one month, until 31 December 2016, to provide members with the financial report of the reporting unit for the year ended 30 June 2016.

Yours sincerely

Chris Enright
Delegate of the General Manager
Fair Work Commission

18 November 2016

General Manager
Fair Work Australia
Via email: orgs@fwc.gov.au

Dear General Manager

FINANCIAL REPORTING REQUIREMENTS

In accordance with section 265(5) of the Fair Work (Registered Organisations) Act 2009 the United Firefighters Union of Australia respectfully requests an extension for the provision of the full report to the National Committee of Management.

Unfortunately this request is necessary as that the UFUA received the financial statements on the evening of the 17th November 2016 and is required to give 14 days notice for the National Committee of Management meeting for the consideration of the annual financial statements. As a result, the National Committee of Management meeting cannot be held prior to 30 November 2016 as required in accordance with section 265(5)(b) of the Fair Work (Registered Organisations) Act 2009 Act.

Today the National Committee of Management was notified that meeting would be held on Monday 5 December 2016 and were provided with the financial statements.

We apologise for the delay and respectfully request a response as soon as practicable.

We thank you for your assistance.

Should you require any further information please contact the UFUA Office on 9419 8811 or via ufunational@ufunat.asn.au.

Yours sincerely



Peter Marshall
National Secretary

UNITED FIREFIGHTERS UNION
OF AUSTRALIA



ABN 51 824 544 079

410 Brunswick Street,
Fitzroy, Victoria 3065
Phone: (03) 9419 8811
Fax: (03) 9419 9258

Email: ufunational@ufunat.asn.au

www.ufua.asn.au

President: Greg Northcott

Secretary: Peter Marshall



15 July 2016

Mr Peter J Marshall
National & Victorian Branch Secretary
United Firefighters' Union of Australia
By email: p.marshall@ufuvic.asn.au

Dear Mr Marshall,

**Re: Lodgement of Financial Report - [FR2016/238]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the United Firefighters' Union of Australia (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

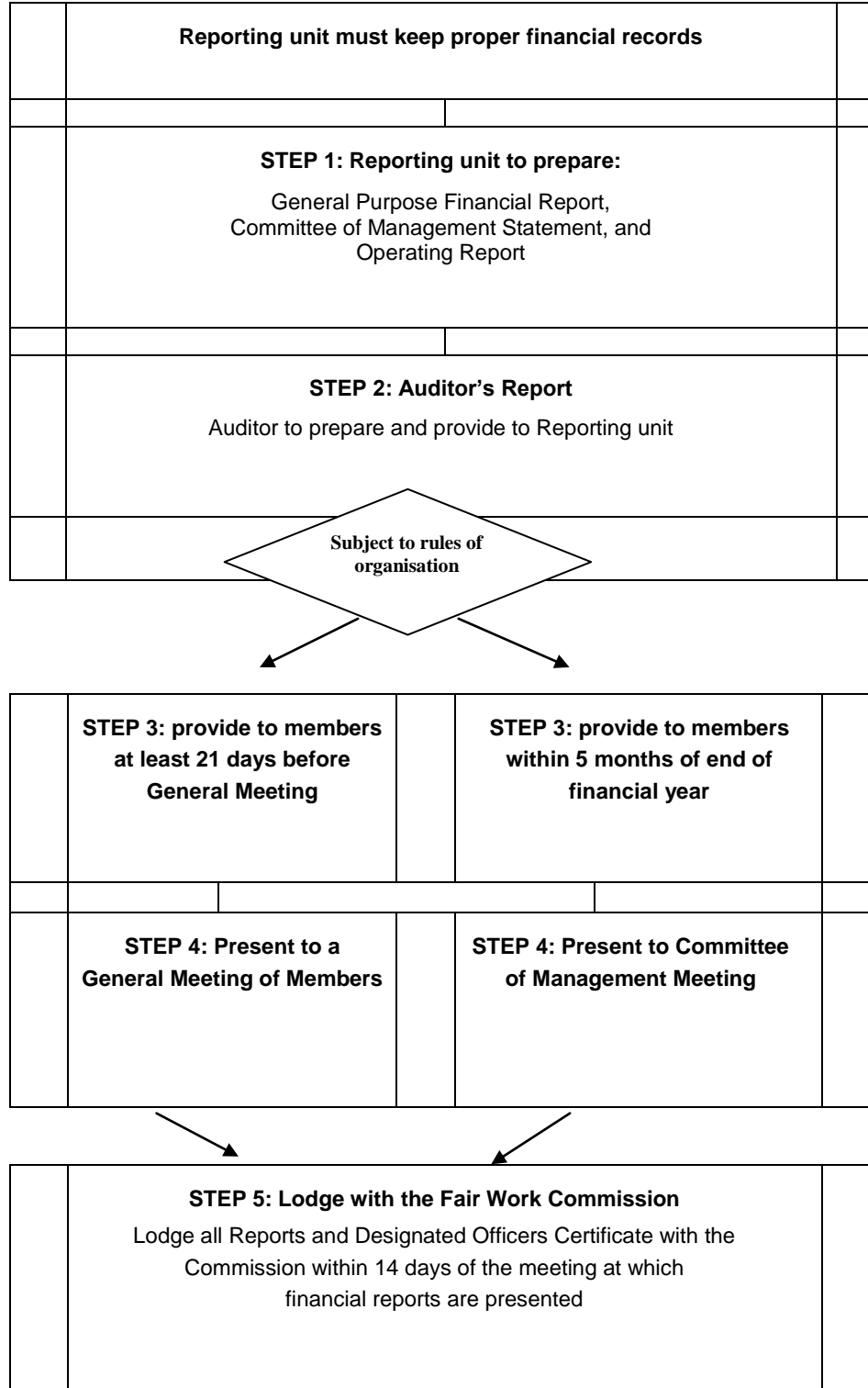


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

| Misconception | Requirement |
|---|--|
|  Only reporting units must lodge the Statement. |  All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches. |
|  Employees can sign the Statement. |  The statement must be signed by an elected officer of the relevant branch. |
|  Statements can be lodged with the financial report. |  The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late. |

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

| Grants: | 2016 | 2015 |
|--------------------------------------|----------|----------|
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Donations: | | |
| Total paid that were \$1,000 or less | - | - |
| Total paid that exceeded \$1,000 | - | - |
| Total grants or donations | - | - |

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au