



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 2017 – [FR2017/186]

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the United Firefighters' Union of Australia (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 21 December 2017.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Reconciliation between reporting unit

During last year assessment of the lodged financial report of the reporting unit, discrepancies were noted in the figures reporting on various transactions between the reporting unit and the other Branches of the United Firefighters' Union of Australia. During this year's assessment discrepancies were again identified.

In a letter from your auditor, Agostinelli Perlen to the ROC on 7 August 2017, a response was provided to our previous query in relation to these discrepancies. The correspondence stated that *'in 2017 we will liaise with the branches and their auditors to ensure the amounts reconcile and are reported consistently.'*

Please ensure that for future reporting periods that the reporting unit works closely with the other Branches of the United Firefighters' Union of Australia to ensure that a consistent process is established for the recording and reporting of all financial transactions between the reporting unit and its Branches.

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 2017

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 2017 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 25 November 2017; and
- that the full report was presented to a meeting of the National Committee of Management of the reporting unit on 20 December 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



.....
.....

Peter Marshall
National Secretary

Dated: 20 December 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA

ABN 51 824 544 079

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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

**GENERAL PURPOSE FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2017**

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UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

OPERATING REPORT
30 JUNE 2017

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 2017.

Principal activities

The principal activities of the United Firefighters Union of Australian include but are not limited to the following:

- 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 the 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' interest.

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 \$89,995 (2016: \$86,117). No provision for tax was necessary as the reporting unit is exempt from income tax.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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OPERATING REPORT
30 JUNE 2017

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 2017 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 organisation by written notice addressed to and delivered to the secretary of the organisation.

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 9,937.
- (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
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OPERATING REPORT
30 JUNE 2017

(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 2016 – 30 June 2017
	Peter Marshall	1 July 2016 – 30 June 2017
Representing New South Wales	Chris Read	1 July 2016 – 30 June 2017
Representing Victoria	Peter Marshall	1 July 2016 – 30 June 2017
	David Hamilton	1 July 2016 – 30 June 2017
	Anthony Trimble	1 July 2016 – 30 June 2017
	Ken Brown	1 July 2016 – 30 June 2017
Representing Queensland	Danny Ward	1 July 2016 – 30 June 2017
	John Oliver	1 July 2016 – 30 June 2017
	Lawrence Cullen	1 July 2016 – 30 June 2017
	Shane Malley	1 July 2016 – 30 June 2017
Representing South Australia	Peter Draper	1 July 2016 – 30 June 2017
	Greg Northcott	1 July 2016 – 30 June 2017
	Michael Vander Jeugd	1 July 2016 – 30 June 2017
Representing Western Australia	Kevin Jolly	1 July 2016 – 30 June 2017
	Lea Anderson	1 July 2016 – 30 June 2017
Representing Aviation	Henry Lawrence	1 July 2016 – 30 June 2017
	Jon Vaughan	1 July 2016 – 30 June 2017
Representing Australian Capital Territory	Greg McConville	1 July 2016 – 30 June 2017

Other relevant information

Nil.

Signed for and on behalf of the Committee of Management:

GREG NORTHCOTT
PRESIDENT



Dated at Adelaide this 14th day of November 2017.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

COMMITTEE OF MANAGEMENT STATEMENT
For the year ended 30 June 2017

On the 14th day of November 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 2017.

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 RO Act; 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 RO Act; and
 - (vi) no orders have been made by the Registered Organisations Commission under section 273 of the RO Act.
- (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 2017.

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

GREG NORTHCOTT
PRESIDENT



Dated at Adelaide this 14th day of November 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of United Firefighters Union of Australia (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Certificate.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of United Firefighters Union of Australia as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Kidmans Partners Audit Pty Ltd
Chartered Accountants



Heinz Mai
Director

Date at Melbourne this *17th* day of *November* 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/162

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

INCOME	Notes	<u>2017</u>	<u>2016</u>
		\$	\$
Membership Subscriptions		-	-
Capitation Fees	3(a)	707,373	660,077
Levies	3(b)	55,387	39,789
Magazine revenue		54,546	18,182
Interest received		418	280
Other income		-	-
		<u>817,724</u>	<u>718,328</u>
 Administration and other operating costs			
Affiliation fees	4(c)	57,113	63,124
Doubtful debts		18,306	61
Bank charges		27	180
Campaign costs		34,338	1,545
Computer expenses		1,459	30
Consultancy		-	17,128
Depreciation		857	984
General expenses		1,174	7,280
Legal fees	4(g)	9,778	44,345
Printing, postage and stationery		2,090	18,059
Promotional and magazine expenses		9,000	8,426
Administration and other operating expenses	4(f)	32,667	32,227
Storage		3,269	2,636
Subscriptions and donations	4(d)	-	1,000
Interest expense		87	-
Web hosting		10,000	10,000
		<u>180,165</u>	<u>207,025</u>
 Accounting fees		 18,000	 20,000
Audit fees	5	<u>12,000</u>	<u>12,000</u>
 Employment costs	4(a)	 <u>331,780</u>	 <u>286,333</u>
 Conference and meetings	4(e)	 <u>185,784</u>	 <u>106,853</u>
 TOTAL EXPENDITURE		 <u>727,729</u>	 <u>632,211</u>
 OPERATING SURPLUS		 89,995	 86,117
Accumulated surplus at beginning of year		<u>267,548</u>	<u>181,431</u>
ACCUMULATED SURPLUS AT 30 JUNE 2017		<u>357,543</u>	<u>267,548</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 2017

	Notes	<u>2017</u>	<u>2016</u>
		\$	\$
ASSETS			
Current assets			
Cash at bank	11(a)	506,901	405,997
Trade and other receivables	6	5,005	-
Other current Assets	7	3,000	-
Total current assets		<u>514,906</u>	<u>405,997</u>
Non current assets			
Plant and equipment	8	3,631	2,915
Total non current assets		<u>3,631</u>	<u>2,915</u>
TOTAL ASSETS		<u>518,537</u>	<u>408,912</u>
LIABILITIES			
Current liabilities			
Trade payables	9	37,844	16,031
Other payables	9	31,783	50,902
Employee Provisions	10	91,367	70,528
Total current liabilities		<u>160,994</u>	<u>137,461</u>
Non current liabilities			
Employee Provisions	10	-	3,903
Total non current liabilities		<u>-</u>	<u>3,903</u>
TOTAL LIABILITIES		<u>160,994</u>	<u>141,364</u>
NET ASSETS		<u>357,543</u>	<u>267,548</u>
MEMBERS' EQUITY			
Members' funds		<u>357,543</u>	<u>267,548</u>
TOTAL MEMBERS' EQUITY		<u>357,543</u>	<u>267,548</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Members'	Total
	funds	
	\$	\$
Balance at 1 July 2015	181,431	181,431
Surplus for the year	86,117	86,117
Balance at 30 June 2016	<u>267,548</u>	<u>267,548</u>
Surplus for the year	89,995	89,995
Balance at 30 June 2017	<u>357,543</u>	<u>357,543</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	<u>2017</u>	<u>2016</u>
		\$	\$
Cash flows from operating activities			
Receipts from customers (including members and related activities)	11(c)	873,554	796,911
Payment to suppliers and employees	11(c)	(771,247)	(701,484)
Interest received		418	280
Interest paid		(87)	-
Net cash provided by operating activities	11(b)	<u>102,638</u>	<u>95,707</u>
Cash flows from investing activities			
Purchase of plant and equipment		<u>(1,734)</u>	-
Net cash provided by investing activities		<u>100,904</u>	-
Net increase in cash held		100,904	95,707
Cash at the beginning of the financial year		<u>405,997</u>	<u>310,290</u>
Cash at end of financial year	11(a)	<u>506,901</u>	<u>405,997</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

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**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probably that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to employee superannuation funds are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for terminations as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1 – Significant accounting policies (continued)

(d) Plant and equipment and leasehold improvements

Plant and equipment, 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 as follows:

Plant and equipment	15 – 67%	Depreciating value
Leasehold improvements	2.5%	Prime Cost

An item of leasehold improvements and 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) Taxation

No provision for income tax is necessary as Trade Unions are exempt bodies under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for the Goods and Services Tax (GST).

(f) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturing of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

UNITED FIREFIGHTERS UNION OF AUSTRALIA
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Note 1 – Significant accounting policies (continued)

(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; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

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.

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions, capitation fees and levies is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1 – Significant accounting policies (continued)

(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 United Firefighters Union of Australia 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 United Firefighters Union of Australia 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 asset's 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.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1 – Significant accounting policies (continued)

(j) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for 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 estimated 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 United Firefighters Union of Australia 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) Financial instruments

Financial assets and financial liabilities are recognised when a reporting entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

(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.

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(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.

(q) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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Note 2 – Application of new and revised Accounting Standards

New or amended accounting standards and interpretations that became applicable to the United Firefighters Union of Australia for the first time for the 30 June 2017 year end did not result in a change to the accounting policies.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</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 2017 are made up as follows:		
United Firefighters' Union – Queensland Branch	159,076	152,932
United Firefighters' Union – South Australian Branch	72,552	68,080
United Firefighters' Union – Tasmanian Branch	26,685	25,729
United Firefighters' Union – Victorian Branch	266,821	241,520
United Firefighters' Union – Western Australian Branch	90,922	85,752
United Firefighters' Union – New South Wales Branch	107	104
United Firefighters' Union – Australian Capital Territory	25,984	24,911
United Firefighters' Union – Aviation Branch	65,227	61,050
Total capitation fees	<u>707,373</u>	<u>660,077</u>
(b) Levies		
ACTU affiliation levies rendered for the year ended 30 June 2017 are made up as follows:		
United Firefighters' Union – Queensland Branch	13,583	10,036
United Firefighters' Union – South Australian Branch	6,071	4,358
United Firefighters' Union – Tasmanian Branch	2,001	1,481
United Firefighters' Union – Victorian Branch	20,087	14,009
United Firefighters' Union – Western Australian Branch	6,806	4,941
United Firefighters' Union – New South Wales Branch	17	13
United Firefighters' Union – Australian Capital Territory	1,944	1,434
United Firefighters' Union – Aviation Branch	4,879	3,515
Total levies	<u>55,387</u>	<u>39,789</u>
(c) Grants or donations		
Grants	-	-
Donations	-	-
Total Grants or donations	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Note 4 – Expenses		
(a) Employee expenses		
Holders of office		
Wages and salaries	-	-
Back pay adjustment	-	-
Contract services (i)	84,854	84,854
Superannuation	3,278	2,946
Movement in leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Honorarium	34,502	31,009
Subtotal employee expenses – holders of office	<u>122,634</u>	<u>118,809</u>
Employees other than office holders		
Wages and salaries	161,970	137,980
Superannuation	28,626	23,187
Movement in leave and other entitlements	16,937	4,564
Separation and redundancies	-	-
Other employee expenses	133	429
Subtotal employee expenses – employees other than office holders	<u>207,666</u>	<u>166,160</u>
Other employee expenses - work cover insurance	1,480	1,364
Total employee expenses	<u>331,780</u>	<u>286,333</u>
(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 2016 to 30 June 2017 included in the above holders of office amounts:		
Contract services	84,854	84,854
Superannuation	-	-
Movement in leave and other entitlements	-	-
	<u>84,854</u>	<u>84,854</u>
(b) Capitation fees		
Total Capitation fees	<u>-</u>	<u>-</u>
(c) Affiliation fees		
ACTU Affiliation	56,270	45,645
ACTU IR Levy	-	16,660
APHEDA	843	818
Total Affiliation fees	<u>57,113</u>	<u>63,124</u>

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	<u>2017</u>	<u>2016</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
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	1,000
 (e) Conference and meeting costs		
Conference and meeting travel expenses	125,852	68,511
Conference and meeting fees/allowances	-	-
Venue, speakers and catering costs	53,810	26,345
Teleconferencing	3,144	7,605
Other conference and meeting expenses	2,978	4,392
	185,784	106,853
 (f) Administration and other operating expenses		
Rent and Services		
Rent and Services	30,655	30,790
Other expense	2,012	1,436
Compulsory Levies	-	-
Consideration to employers for payroll deductions	-	-
	32,667	32,227
 (g) Legal costs		
Litigation	-	-
Other legal matters	9,778	44,346
Total legal costs	9,778	44,346
 (h) Other expenses		
Penalties – via RO Act or RO Regulations	-	-
	-	-
 Note 5 – Remuneration of auditors		
Remuneration of the auditor of the Union for:		
Audit of the financial report	12,000	12,000
Other services	-	-
Total remuneration of auditors	12,000	12,000

The auditor of United Firefighters Union of Australia is Kidman Partners Pty Ltd.
Kidmans Partners Pty Ltd did not receive any fees for other services.

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	<u>2017</u>	<u>2016</u>
	\$	\$
Note 6 – Trade and other receivables		
Receivables from other reporting units		
United Firefighters' Union – New South Wales	288,958	288,822
Total receivables from other reporting units	288,958	288,822
Less provision for doubtful debts		
United Firefighters' Union – New South Wales	288,958	288,822
Total provision for doubtful debts	288,958	288,822
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	25,005	-
Provision for doubtful debts	(20,000)	-
Total other receivables	5,005	-
Total net trade and other receivables		
 Note 7 – Other current assets		
Prepayments	3,000	-
	3,000	-
 Note 8 – Plant and equipment		
Office furniture and equipment - at cost	4,904	4,191
Less: accumulated depreciation	(3,434)	(3,503)
	1,470	688
 Leasehold Improvements	 2,591	 2,591
Less: accumulated depreciation	(429)	(364)
	2,162	2,227
	3,631	2,915

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Note 8 – 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 2015	4,191	-	2,591	6,782
Additions/(Disposals)		-	-	-
Balance at 30 June 2016	4,191	-	2,591	6,782
Additions	1,576	-	-	1,576
Disposals	(863)	-	-	(863)
Balance at 30 June 2017	4,904	-	2,591	7,495
Accumulated depreciation				
Balance at 1 July 2015	(2,584)	-	(299)	(2,883)
Disposals	-	-	-	-
Depreciation expense	(919)	-	(65)	(984)
Balance at 30 June 2016	(3,503)	-	(364)	(3,867)
Disposals	860	-	-	860
Depreciation expense	(792)	-	(65)	(857)
Balance at 30 June 2017	(3,435)	-	(429)	(3,864)

<u>2017</u>	<u>2016</u>
\$	\$

Note 9 – Trade and other payables

Payables to other reporting units

United Firefighters' Union – South Australia	421	-
United Firefighters' Union – Victorian Branch	17,695	11,000
United Firefighters' Union – Western Australian Branch	-	1,702
Subtotal payables to other reporting units	18,116	12,702

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	<u>2017</u>	<u>2016</u>
	\$	\$
Trade and other payables		
Wages and salaries	-	3,373
Trade creditors	31,149	14,329
GST payable	(1,145)	6,914
PAYG Withholding Tax Payable	-	6,646
Superannuation	2,785	3,050
Accrued expenses	18,722	-
Legal Costs:		
Litigation	-	-
Other legal matters	-	-
Consideration to employers for payroll deductions	-	-
Other	-	19,919
Subtotal trade and other payables	<u>51,511</u>	<u>54,231</u>
Total trade and other payables	<u>69,627</u>	<u>66,933</u>
Settlement is usually made within 30 days		

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	<u>2017</u>	<u>2016</u>
	\$	\$
Note 10 – 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	24,532	22,145
Long service leave	18,452	3,903
Separation and redundancies	-	-
Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	42,984	26,048
Total employee provisions	91,367	74,431
Current		
Employee benefits	91,367	70,528
Other provisions	-	-
Total current provisions	91,367	70,528
Non-current		
Employee benefits	-	3,903
Other provisions	-	-
Total current provisions	-	3,903
Total	91,367	74,431

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Note 11 – 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	425,591	324,890
Cash at Bank – Credit Union	81,310	81,107
	<u>506,901</u>	<u>405,997</u>
(b) Reconciliation of cash flow from operating activities		
Operating surplus	89,995	86,117
Adjustments for non-cash income and expense items:		
Depreciation expense	857	984
Doubtful debts	18,306	61
Asset write off	3	
Changes in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(23,311)	6,416
(Increase)/decrease in prepayments	(3,000)	-
Increase/(decrease) in trade and other payables	2,852	(2,436)
Increase/(decrease) in provisions	16,936	4,565
Cash Inflow from operating activities	<u>102,638</u>	<u>95,707</u>
(c) Cash flow information		
Cash inflows	873,554	796,911
Total cash inflows	<u>873,554</u>	<u>796,911</u>
Cash outflows	771,247	701,484
Total cash outflows	<u>771,247</u>	<u>701,484</u>

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

	2017		
	Capitation	Levies	Total
	\$	\$	\$
Cash inflows from operating activities			
Receipts from members and related activities include the following amounts received from related parties:			
United Firefighters' Union – Queensland Branch	174,983	14,941	189,924
United Firefighters' Union – South Australian Branch	79,807	6,678	86,485
United Firefighters' Union – Tasmanian Branch	29,353	2,201	31,554
United Firefighters' Union – Victorian Branch	293,503	22,095	315,598
United Firefighters' Union – Western Australian Branch	100,014	7,486	107,500
United Firefighters' Union – Australian Capital Territory	28,582	2,138	30,720
United Firefighters' Union – Aviation Branch	71,750	5,367	77,117
	777,992	60,906	838,898

	2017		
	Rent and other services	Contract services	Total
	\$	\$	\$
Cash outflows from operating activities			
Payments to suppliers and employees include the following amounts paid to related parties:			
United Firefighters' Union – Victorian Branch	76,993	93,339	170,332
	76,993	93,339	170,332

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

	2016		
	Capitation	Levies	Total
	\$	\$	\$
Cash inflows 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
	<u>725,971</u>	<u>43,752</u>	<u>769,723</u>

	2016		
	Rent and other Services	Contract Services	Total
	\$	\$	\$
Cash outflows from operating activities			
Payments to suppliers and employees include the following amounts paid to related parties:			
United Firefighters' Union – Victorian Branch	33,869	93,339	127,208
	<u>33,869</u>	<u>93,339</u>	<u>127,208</u>

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	<u>2017</u>	<u>2016</u>
	\$	\$

Note 12 - 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	<u>506,901</u>	<u>405,997</u>
Loans and receivables		
Trade and other receivables	<u>5,005</u>	<u>-</u>
Carrying amount of financial assets	<u>511,906</u>	<u>405,997</u>

Financial liabilities

Other financial liabilities		
Trade and other payables	<u>69,627</u>	<u>66,932</u>
Carrying amount of financial liabilities	<u>69,627</u>	<u>66,932</u>

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	<u>418</u>	<u>280</u>
Net gain on cash and cash on hand	<u>418</u>	<u>280</u>
Net gain from financial assets	<u>418</u>	<u>280</u>

The net income/expense from financial liabilities is \$nil (2016: \$nil)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 12 - Financial risk management (continued)

(b) Fair value of financial instruments

	2017		2016	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial assets				
Cash and cash on hand	506,901	506,901	405,997	405,997
Trade and other receivables	5,005	5,005	-	-
Total	511,906	511,906	405,997	405,997
Financial liabilities				
Trade and other payables	69,627	69,627	66,932	66,932
Total	69,627	69,627	66,932	66,932

(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>2017</u> \$	<u>2016</u> \$
Financial assets		
Trade and other receivables	5,005	-
Total	5,005	-

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

	2017		2016	
	Not past due nor impaired \$	Past due or impaired \$	Not past due nor impaired \$	Past due or impaired \$
Trade and other receivables	5,005	308,959	-	288,822
	5,005	308,959	-	288,822

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Note 12 - Financial risk management (continued)

(c) Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	5,005	-	-	-	5,005
	5,005	-	-	-	5,005

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	-	-	-	-	-
	-	-	-	-	-

(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	
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$
Financial assets – cash flow realisable						
Cash and cash equivalents	506,901	405,997	-	-	506,901	405,997
Trade and other receivables	-	-	-	-	8,005	-
Total anticipated inflows	506,901	405,997			405,997	405,997
Trade and other payables	-	-	69,627	66,932	69,627	66,932
Total contractual outflows	-	-	69,627	66,932	69,627	66,932
Net inflow/(outflow) on financial instruments	506,901	405,997	(69,627)	(66,932)	336,370	339,065

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Note 13 – Related party transactions		
Revenue transactions in relation to capitation fees GST exclusive:		
United Firefighters' Union – Queensland Branch	159,076	152,932
United Firefighters' Union – South Australian Branch	72,552	68,080
United Firefighters' Union – Tasmanian Branch	26,685	25,729
United Firefighters' Union – Victorian Branch	266,821	241,520
United Firefighters' Union – Western Australian Branch	90,922	85,752
United Firefighters' Union – New South Wales Branch	107	104
United Firefighters' Union – Australian Capital Territory	25,984	24,911
United Firefighters' Union – Aviation Branch	65,227	61,050
	<u>707,373</u>	<u>660,077</u>
Revenue transactions in relation to levies GST exclusive:		
United Firefighters' Union – Queensland Branch	13,583	10,036
United Firefighters' Union – South Australian Branch	6,071	4,359
United Firefighters' Union – Tasmanian Branch	2,001	1,481
United Firefighters' Union – Victorian Branch	20,087	14,009
United Firefighters' Union – Western Australian Branch	6,806	4,941
United Firefighters' Union – New South Wales Branch	17	13
United Firefighters' Union – Australian Capital Territory	1,944	1,434
United Firefighters' Union – Aviation Branch	4,879	3,515
	<u>55,387</u>	<u>39,789</u>
The above levies are collected by the National Office and paid to the Australian Council of Trade Unions (ACTU) on behalf of the branches.		
Revenue transactions in relation to other charges GST exclusive		
United Firefighters' Union – South Australia Branch	3,818	-
United Firefighters' Union – Tasmanian Branch	736	-
United Firefighters' Union – Victorian Branch	2,536	-
United Firefighters' Union – Australian Capital Territory	2,363	-
	<u>772,213</u>	<u>699,866</u>
Total revenue transactions with related parties		
Expense transactions with related parties		
United Firefighters' Union – Queensland Branch	390	-
United Firefighters' Union – South Australian Branch	14,882	-
United Firefighters' Union – Victorian Branch		
Rent and other services	69,994	30,790
Contract services (note 4(a))	84,854	84,854
United Firefighters' Union – Western Australia Branch	11,148	-
United Firefighters' Union – Aviation Branch	2,726	-
	<u>183,994</u>	<u>115,644</u>
Total expense transactions with related parties		

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 13 – Related party transactions (continued)

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	<u>288,959</u>	<u>288,822</u>
	288,959	288,822

Provision for doubtful debts

United Firefighters' Union – New South Wales Branch	<u>(288,959)</u>	<u>(288,822)</u>
Total amounts owed by related parties	<u>-</u>	<u>-</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA
ABN 51 824 544 079

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Note 13 – Related party transactions (continued)		
Trade payables		
United Firefighters' Union – South Australia	421	-
United Firefighters' Union – Victorian Branch	17,695	11,000
United Firefighters' Union – Western Australian Branch	-	1,702
Total amounts owed to related parties	18,116	12,702

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 year end 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 14 – Key management personnel

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

Short-term employee benefits		
Salary	-	-
Contract services (i)	84,854	84,854
Allowances	-	-
Honorarium	34,502	31,009
Total short-term employee benefits	119,356	115,863
Post-employment benefits		
Superannuation	3,278	2,946
Total post-employment benefits	3,278	2,946
Total employee benefits	122,634	118,809

- (i) 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 2017

Note 15 - 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 2017 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.

Note 16 - 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 15, remains unchanged after balance date up to the date of signing of this report.

Note 17 - 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 2017**

Note 18 - 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



15 December 2017

Mr Peter J Marshall
National & Victorian Branch Secretary
United Firefighters' Union of Australia

Sent via email: p.marshall@ufuvic.asn.au

Dear Mr Marshall,

Lodgement of Financial Report - Reminder to lodge

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the United Firefighters' Union of Australia (the reporting unit) ended on the 30 June 2017.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s.254, s.265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

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.

We encourage you to lodge the full financial report directly to regorgs@roc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 9954 2931 or via email at Sam.Galichio@roc.gov.au.

Yours faithfully,

Sam Galichio
Registered Organisations Commission



9 August 2017

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

Dear Mr Marshall,

**Re: Lodgement of Financial Report - [FR2017/186]
*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 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to 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 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the

ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

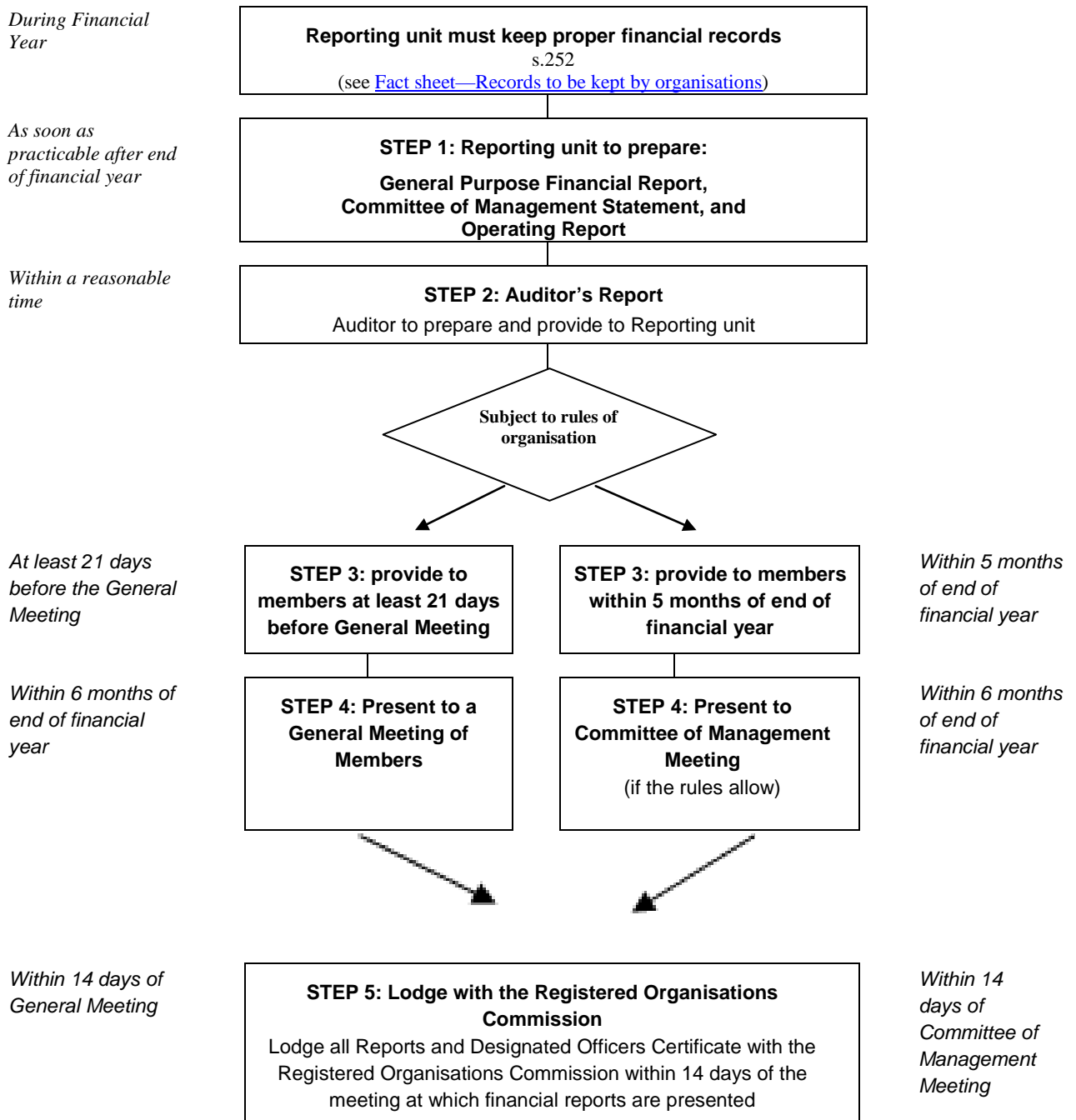
Carolyn Moloney
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

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 Commissioner'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 exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) 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 ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC 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
X 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.
X 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.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner'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 [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
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	-	-

The Commissioner'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 financial report staff of the ROC may 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 last 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 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 ROC on regorgs@roc.gov.au



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon⁷

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>
Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in ASA 210 *Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ASA 570 *Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in ASA 720 *The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with ASA 700 *Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.