



2 October 2013

Henry Lawrence  
Branch Secretary  
United Firefighters' Union of Australia - Aviation Branch  
Level 3 TLC Building  
16 Peel Street  
South Brisbane QLD 4101

Dear Mr Lawrence

**United Firefighters' Union of Australia Aviation Branch Financial Report for the year ended 30 June 2012 - FR2012/305**

I acknowledge receipt of the financial report of the United Firefighters' Union of Australia Aviation Branch (UFUA Aviation) for the year ended 30 June 2012. The documents were lodged with Fair Work Commission (FWC) on 1 February 2013. I acknowledge receipt of supplementary information on 4 September 2013 address a number of issues I raised in my letter dated 16 July 2013. I also acknowledge receipt of supplementary information on 17 September 2013 regarding the designated officer's certificate and on the 1 October 2013 regarding membership dues and employee benefits. I also acknowledge the information I received from your Accountant, Lana Scott from Ross McDermott Chartered Accountants, on 2 October 2013 regarding the accounting policy for membership dues.

The financial report has now been filed.

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. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Documents must be lodged with the FWC within 14 days of General Meeting

S.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of members. The designated officer's certificate indicates that this meeting occurred on 31 December 2012. If this is correct the full report should have been lodged with the Fair Work Commission by 15 January 2013.

The full report was lodged on 1 February 2013.

Please note that in future financial years, a written request for an extension of time to lodge the required financial reports and the designated officer's certificate, which is to be signed by a relevant officer, including any reason for the delay, must be made prior to required date of lodgement.

Reports must be presented to a General Meeting of members within 6 months after the end of the Financial Year.

The designated officer's certificate states that the financial report was presented to a General Meeting of members on 31 December 2012. As the rules of the reporting unit state a general meeting to be a series of meetings, under s.266(2) of the RO Act, the general meeting is taken to have occurred at the time of the last of the meeting in the series.

You have indicated to FWC that 16 out of the 21 meeting had been conducted, and the date of the last meeting was 31 December 2012.

You have provide FWC with an undertaking to ensure all 21 meetings are held for this coming financial years and that a review of the reporting units rules will occur to investigate the option to amend its rules to allow the financial reports to be presented directly to a Committee of Management meeting. For this rule to be approved, it must contain a provision that allows up to 5% of members to call a general meeting to be held to consider the report - see s.266(3) of the RO Act.

Please note that in future financial years, a written request for an extension of time to hold the General Meeting, which is to be signed by a relevant officer, including the reason for the delay, must be made prior to required date of lodgement.

General purpose financial report to be prepared on accrual basis

As discussed previously, according to paragraph 101(27) of the Australian Accounting Standards '*an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.*' The notes to the financial statements state that revenue from membership dues is accounted for on a cash receipts basis.

As discussed with your Accountants, Ross McDermott Chartered Accountants, on Wednesday 2 October 2013 and confirmed in an email on the day, the UFUA Aviation will be accounting for its membership dues on an accruals basis in accordance with the Australian Accounting Standards for the financial year ended 30 June 2013 and onwards.

**Changes to the legislation and reporting guidelines**

I note with the change of legislation, references to Fair Work Australia will need to be updated to the Fair Work Commission.

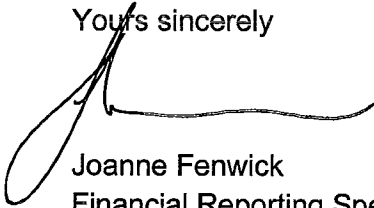
Additionally, a third edition to the General Manager's s.253 reporting guidelines was gazetted on 26 June 2013. These guidelines will apply to all financial reports that end on or after 30 June 2013. Fair Work Commission has also developed a model set of financial statement for the 2012-2013 financial year. There is no requirement to use this model but it may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

The guidelines and model financial statements are available on the website here:

<http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any queries regarding this letter, please contact me on (03) 8661 7886, or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



**United Firefighters' Union of Australia Aviation Branch**

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Ms Joanne Fenwick  
Regulatory Compliance Branch  
Fair Work Commission  
GPO Box 1994  
MELBOURNE VIC 3001



Dear Ms Fenwick

**United Firefighters' Union Aviation Branch Financial Report for the year ended 30 June 2012**

We refer to your letter dated 16 July 2013 and provide the following responses to the issues raised.

**A. Designated Officer's Certificate**

We responded to the letter from Mr Robert Pfeiffer dated 22 January 2013 [copy attached] on 1 February 2013 regarding the general meetings held. We have yet to receive a response to our letter to Mr Pfeiffer.

We have included a copy of our correspondence to Mr Pfeiffer dated 1 February 2013. In light of this correspondence, please advise if the Fair Work Commission still requires an updated Designated Officer's Certificate for the 2012 financial statements.

The Designated Officer's Certificate was completed on the basis that the full report was presented to a meeting of the Union's Committee of Management on the 27<sup>th</sup> November 2012 and in addition, a full copy of the report was made available to all members at all stations around Australia on the 3<sup>rd</sup> of December 2012. All ARFF units around the country were instructed to conduct meetings by the 31<sup>st</sup> December 2012 to consider the report and vote on its acceptance. I have attached a copy of the email sent to all ARFF units with the financial report and instructions as to the conduct of the meetings. Not all meetings were conducted by the 31<sup>st</sup> December and requests were made to outstanding units to conduct the meetings by the 14<sup>th</sup> January 2013 at the latest to enable the Union to make the necessary returns. Despite the requests, by the 14<sup>th</sup> January 16 out of 21 meetings had been conducted. A meeting was called at Alice Springs but no one attended. Please note that in my letter of the 1<sup>st</sup> February it stated that meetings had been held at 17 of the 21 functioning units. This was incorrect the correct figure is 16. The last meeting conducted at those units that did convene meetings took place on 31<sup>st</sup> December 2012.

**B. Trustee of superannuation entity**

We confirm that Mr David Arnott, a member of the Union, is a Trustee Director of AvSuper. We will ensure that the above disclosure is included in the 2013 financial statements.

**C. Accounting policy for membership dues**

The Union does not recognise membership revenue until all of the recognition criteria set out in AASB 114 Revenue are met. Due to the nature of the fees, the Union does not satisfy all of the criteria until the cash is received by the member. We acknowledge the wording in Note 1(l) can be improved upon. The wording will be amended in the 2013 financial statements.

**D. Financial report prepared in accordance with the RO Act**

We acknowledge that the compliance statement stating that the financial statements were prepared in accordance with the RO Act was inadvertently omitted from the notes to the financial statements. We confirm that the 2012 financial statements were prepared in accordance with Part 3 Chapter 8 of the Fair Work (Registered Organisations) Act 2009 as evidenced in the audit report. The audit report states that financial report presents fairly, in all material respects, in accordance with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The statement of compliance will be reviewed and updated in the 2013 financial statements to include a statement that the financial report is prepared in accordance with the relevant sections of the RO Act.

**E. Affiliation fees**

The breakdown of the 2012 affiliation fees and levies, including comparatives, are as follows:

	Type	2012 \$	2011 \$
United Firefighters' Union of Australia*	Affiliation fee	44,660	42,483
Australian Council of Trade Unions (1)*	Affiliation fee	2,079	2,636
The Union Shopper Inc	Affiliation fee	749	615
		<u>47,488</u>	<u>45,734</u>

(1) The Australian Council of Trade Unions (ACTU) affiliation fee is paid to the UFU National office and is then forwarded on to the ACTU on behalf of the branch. The Union has recorded this as a payment direct to the ACTU and has therefore excluded the amount for the related party disclosure.

\* In response to your query with respect to the discrepancy between the United Firefighters' Union of Australia – Aviation Branch and the United Firefighters' Union of Australia National financial statements of \$1,018 we advise this arose due to a coding error. The amount was incorrectly coded and should have been included under the Australian Council of Trade Unions. The amounts in the above table show the correct affiliation fee split.

The above disclosure will be made in the 2013 financial statements.

**F. Employee benefits to office holders and other employees**

Employee benefits for office holders have been detailed and disclosed in Note 15 of the financial statements. We note however that the employee benefits to the employees have not been separately disclosed along with separate disclosure for employee entitlements. The split for the above items for the 2012 and comparative year are:

	2012 \$	2011 \$
<b>Employee benefits expense</b>		
Office holders	134,084	142,735

Other employees	60,029	60,913
	<u>194,444</u>	<u>203,648</u>
<b>Employee entitlements liability</b>	<b>\$</b>	<b>\$</b>
Office holders	1,931	113,133
Other employees	151	1,442
	<u>2,082</u>	<u>114,575</u>

#### G. Cash flow statement

The following amounts relate to cash inflows/outflows from related party entities. As per the Union's accounting policing in Note 1(n) to the financial statements, the cash flows are presented on a gross basis including GST.

	2012	2011
<b>Cash from operating activities</b>		
Payments to suppliers and employees include the following amounts paid to related parties:		
United Firefighters' Union of Australia – Affiliation fee	49,126	46,731
United Firefighters' Union of Australia – Special levy	3,564	-
	<u>52,690</u>	<u>46,731</u>

Note that the special levy paid to the National Office was inadvertently omitted from the related party disclosure in the 2012 financial statements.

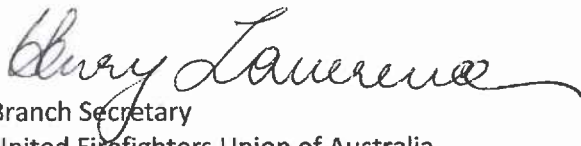
The above disclosure will be contained in the 2013 financial statements.

#### H. Loans, Grants and Donations

A signed copy of the Loans, Grant and Donations schedule for the Aviation branch is enclosed with this letter.

We believe this covers off the issues raised in your correspondence.

Yours sincerely



Branch Secretary  
United Firefighters Union of Australia  
Aviation Branch



16 July 2013

Henry Lawrence  
Branch Secretary  
United Firefighters' Union - Aviation Branch  
Level 3, TLC Building  
16 Peel Street  
South Brisbane QLD 4101

Dear Mr Lawrence

**United Firefighters' Union Aviation Branch Financial Report for the year ended 30 June 2012 - FR2012/305**

I acknowledge receipt of the financial report for the year ended 30 June 2012 for the United Firefighters' Union Aviation Branch (UFUA Aviation). The financial report was lodged with Fair Work Commission (FWC) on 1 February 2013.

The report has not been filed. I have examined the report. Following the examination I have identified a number of matters, the details of which are set out below, that I require you to attend to before the report can be filed.

The general purpose financial report (GPFR), designated officer's certificate and the operating report will require amendments.

**1. Designated officer's certificate**

Section 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that the designated officer's certificate provided states *'that the full report was presented to a meeting of the committee of management of the reporting unit on 27th November 2012 in accordance with s.266 of the RO Act'*. The rules of the UFUA Aviation state that a general meeting will be a series of meetings at different locations not a meeting of the committee of management.

Information has been provided that these general meetings have been held and minutes received from 17 of the 21 functioning units around Australia. Can you please confirm that all 21 general meetings have been held and the date of the last meeting in the series.

A new designated officer's certificate will need to be provided.

**2. Operating Report**

Trustee of superannuation entity

Subsection 254(2)(d) of the RO Act requires details of any *officer or member* of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or members of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

*No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.*

### **3. General Purpose Financial Report**

The following items within either the income statement, balance sheet, cash flow statement or their relevant Notes require further explanation or information.

#### General purpose financial report to be prepared on accrual basis

According to the Australian Accounting Standard AASB101(27) *'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.'*

The notes to the financial statements state that revenue from membership dues is accounted for on a cash receipts basis. Membership dues must be brought to account on an accruals basis in accordance with the Australian Accounting Standards.

#### General purpose financial report to be prepared in accordance with the RO Act

According to Australian Accounting Standard AASB1054(8a) *'an entity shall disclose in the notes the statutory basis or other reporting framework, if any which the financial statements are prepared.'*

There is no reference to the RO Act within the notes to the financial statements. This must be included in the Notes to the financial statements.

#### Disclosure of contributions to another reporting unit and disclosure of affiliation fees

Reporting Guideline 11(b) requires that where contributions to another reporting unit are made, the amount and the name of each reporting unit are to be disclosed in either the profit and loss statement or the notes.

Reporting Guideline 11(d) requires separate disclosure of affiliation fees paid to political parties and industrial bodies need to be made.

Within UFUA Aviation Statement of Comprehensive Income the item *'affiliation fee'* is reported as \$47,488. In Note 20 Related Party Transactions, it is stated that *'affiliation fees have been paid to the National Branch of the United Firefighters' Union in the amount of \$45,678 throughout the year'*. The United Firefighters' Union of Australian National Branch financial statements indicate that they received \$44,660 from the Aviation Branch for subscriptions.

Can you please provide an explanation as to why there are differences between each figure?

The line item *'affiliation fee'* will need to be itemised to ensure compliance with the above requirements.

#### Disclosure of employee benefits to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the income statement or in the notes to the financial statements employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)).

I note that the income statement does not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees must be separately disclosed.

The Reporting Guidelines also require either the balance sheet or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and

14 (d)). Note 10 discloses these liabilities but does not distinguish between provisions for office holders and other employees.

The financial statements have disclosed employee benefit expenses, but do not separately disclose wages, superannuation, annual leave or long service leave provided for officers and employees.

Please provide a breakdown of these figures for officers and for employees (other than holders of office).

#### Cash Flow Statement

Reporting Guideline 15 states that where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned.

This information has not been provided within the Cash Flow Statement.

#### **4. Loans, grants and donations**

Under subsection 237(1) of the RO Act, if an individual loan, grant or donation made by a branch exceeds \$1,000 a statement showing the relevant particulars of each must be lodged with the FWC within 90 days of the end of the financial year.

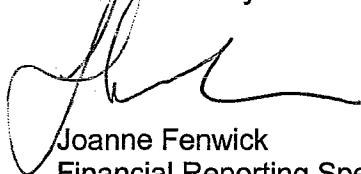
The financial statements disclose donations of \$1,430 during the financial year.

Before the financial report can be filed, we require a statement to be lodged which complies with section 237, other than with respect to the required timeframe. A template Loans, Grants and Donations form is available on the FWC website.

I am also seeking confirmation that no other grants or donations was made during the reporting period? Under reporting guideline 11(f) balances for grants or donations must be disclosed by the reporting unit in the notes to the financial statement unless already disclosed on the face of the Statement of Comprehensive Income.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7886 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au)

Yours sincerely



Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



**United Firefighters' Union of Australia – Aviation Branch**

**Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)**

I, Henry Lawrence being the Branch Secretary of the United Firefighters' Union of Australia – Aviation Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the United Firefighters' Union of Australia – Aviation Branch for the period ended 30<sup>th</sup> June 2012; and
- that the full report was provided to members of the reporting unit on the 3<sup>rd</sup> December 2012 in accordance with s.265 of the RO Act; and
- that the full report was presented to a general meeting of members of the reporting unit on the 31<sup>st</sup> December 2012 in accordance with s.266 of the RO Act.

**Date** *31st December 2013*

**Signature of prescribed designated officer** *H. P. Lawrence*

**Name of prescribed designated officer** Henry Pearson  
Lawrence

**Office held** Branch Secretary



1<sup>st</sup> February 2013

Mr Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch  
Fair Work Commission  
GPO Box 1994  
Melbourne VIC 3001  
Email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Mr Pfeiffer,

**Failure to lodge audited financial report(s) – [FR2012/305]**

I am responding to your letter dated 22<sup>nd</sup> January 2013 and also refer to our telephone discussion on Friday 25<sup>th</sup> January 2013.

As discussed with you, I am certain that we have advised the Fair Work Commission of the change of Branch Secretary of the Aviation Branch of the UFU of Australia. Mr Michael Farrell is no longer the Branch Secretary as he retired on the 8<sup>th</sup> May 2012 and I was elected in his place from the 9<sup>th</sup> May.

In regard to the lodging of the audited financial statements, I can advise that the following has occurred.

1. A meeting of the Union's Branch Committee Of Management considered the financial statements at its annual meeting on the 27<sup>th</sup> November 2012 and being satisfied with the statements passed a resolution declaring the various matters to be required to be included in the Committee of Management Statement.
2. A Committee of Management Certificate was signed by me and the Branch President on the 27<sup>th</sup> November 2012 and the papers were then sent to the auditor who signed the relevant document on the 30<sup>th</sup> November 2012.
3. A General Purpose Financial Report, Auditor's Report and Operating Report was made available free of charge to members on the 3<sup>rd</sup> December 2012.
4. All branches were advised that a general meeting of members must be held no later than 31<sup>st</sup> December 2012.

5. These general meetings have been held and minutes received from 17 of the 21 functioning units around Australia. General meetings have been held and the financial statements have been endorsed, on the aggregate of all meetings held in the series, by a majority of those attending the meetings.

On the basis of the above, can you please advise if the Aviation Branch has met FWC requirements by lodging the attached copy of the audited financial statements and Designated Officer Certificate?

Yours faithfully



Henry Lawrence  
Branch Secretary  
UFU of Australia – Aviation Branch

**United Firefighters Union of Australia – Aviation Branch**

**Section 268 Fair Work (Registered Organisations) Act 2009 (RO Act)**

**SAMPLE CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER<sup>1</sup>**

I, *Henry Pearson Lawrence* being the *Branch Secretary* of the *United Firefighters Union of Australia – Aviation Branch* certify:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the *United Firefighters Union of Australia – Aviation Branch* for the period ended *30<sup>th</sup> June 2012*; and
- that the full report was provided to members of the reporting unit on *3<sup>rd</sup> December 2012* in accordance with s.265 of the RO Act; and
- that the full report was presented to *a meeting of the committee of management* of the reporting unit on *27<sup>th</sup> November 2012* in accordance with s.266 of the RO Act.

<b>Date</b>	<i>1st February 2013.</i>
<b>Signature of prescribed designated officer</b>	<i>H. P. Lawrence</i>
<b>Name of prescribed designated officer</b>	<i>Henry Pearson Lawrence</i>
<b>Office held</b>	<i>Branch Secretary</i>

<sup>1</sup> Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

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



Registered Tax Agent  
Registered Company Liquidator

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ross@mcdermott.com.au

**UNITED FIREFIGHTERS UNION  
OF AUSTRALIA - AVIATION BRANCH**

**ABN: 96 533 521 914**

**30 JUNE 2012**

**FINANCIAL STATEMENTS  
& INCOME TAX RETURN**



United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

For the year ended 30 June 2012

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# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Operating Report

For the year ended 30 June 2012

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In accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 ("the ACT"), your Committee of Management present their report on the Union for the financial year ended 30 June 2012.

## Principal Activities

The principal activities of United Firefighters' Union of Australia - Aviation Branch during the financial year was to represent professional firefighters and their safety.

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

## Operating result

The operating surplus of the Union for the financial year amounted to \$35,643 (2011: \$17,243). No provision for tax was necessary as the reporting unit is exempt from income tax.

## Significant Changes in State of Affairs

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

## 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.

## 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 organisation under section 244 of the Fair Work (Registered Organisations) Act 2009 was 679.

## United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Operating Report

For the year ended 30 June 2012

### Other Prescribed Information (continued)

(b) the number of persons who were at the end of the financial year employees of the organisation including both full and part time employees measured on a full time equivalent basis was 2.

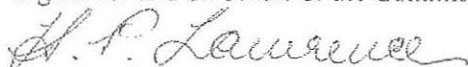
(c) the name of each person who has been a member of the Committee of Management of the organisation at any time during the financial year, and the periods for which they held such a position were:

Names	Position	Period
Andrew Stenhouse	President	1 July 2011 – present
Henry Lawrence	Branch Secretary	8 May 2012 – present
Mick Farrell	Branch Secretary	1 July 2011 – 8 May 2012
John Hancox	Senior Vice President	1 July 2011 - present
Jon Vaughan	Branch Committee of Management	1 July 2011 – present
Jake Callaghan	Branch Committee of Management	1 July 2011 – present
Simon Owen	Branch Committee of Management	1 July 2011 – present
Mal Lacy	Branch Committee of Management	1 July 2011 – present
Ricky Nolan	Branch Committee of Management	1 July 2011 – present
Simon Osborn	Branch Committee of Management	1 July 2011 – present
Neil Pooley	Branch Committee of Management	1 July 2011 – present
Alan Lerpiniere	Branch Committee of Management	1 July 2011 – 9 May 2012
John Ring	Branch Committee of Management	1 July 2011 – present

### Other Relevant Information

Nil.

Signed for and on behalf of the Committee of Management:



**HENRY LAWRENCE**  
**BRANCH SECRETARY**

Dated this 27<sup>th</sup> day of November 2012.



**United Firefighters Union of Australia - Aviation Branch**  
**ABN 96 533 521 914**  
**Committee of Management Certificate**  
**For the year ended 30 June 2012**

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On the 27<sup>th</sup> day of Nov 2012 the Committee of Management of the United Firefighters' Union of Australia - Aviation Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2012.

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

- (a) the financial statements and notes have been prepared in accordance with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Fair Work Australia;
- (c) the financial statements and notes show a true and fair view of the financial performance, financial position and cash flows of the reporting unit as at 30 June 2012;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of the year;
  - (i) meetings of the Committee were held during the year ended 30 June 2012, in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the Union 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 Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) the financial records of the union have been kept as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information was sought by any member of the reporting unit or General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) In relation to the recovery of wages activity
  - (i) There were no recovery of wages activity for the Union during the year ended 30 June 2012.

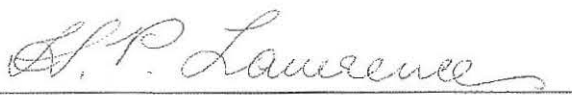
United Firefighters Union of Australia - Aviation Branch  
ABN 96 533 521 914  
Committee of Management Certificate  
For the year ended 30 June 2012

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Signed on behalf of the Committee of Management:

President: 

Mr Andrew Stenhouse

Secretary: 

Mr Henry Lawrence

Dated this 27<sup>th</sup> day of November 2012.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS'  
UNION OF AUSTRALIA - AVIATION BRANCH**

We have audited the financial report of United Firefighters' Union of Australia - Aviation Branch, which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, statement of changes in members equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the committee of management certificate.

**Committee of management's responsibility for the financial report**

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the committee also states, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

**Auditor's responsibility**

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

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

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

**Independence**

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

**JOHN AGOSTINELLI - HENRY V PERLEN**

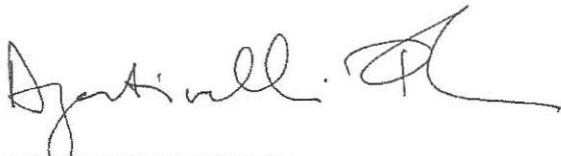
Level 2 200 Lygon Street Carlton Victoria 3053  
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Email: info@agpe.com.au  
Website: www.agpe.com.au

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

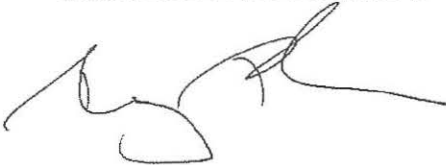
Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of United Firefighters' Union of Australia – Aviation Branch as at 30 June 2012, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



AGOSTINELLI PERLEN  
CHARTERED ACCOUNTANTS



HENRY PERLEN  
PARTNER

Dated at Carlton, Victoria this <sup>2</sup>30 day of November 2012.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

## Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	3	450,197	420,694
Affiliation Fees		47,488	45,733
Bank Fees		4,145	3,939
Depreciation Expense		2,577	1,617
*Employee Benefit Expense		194,444	203,648
*Honorariums		11,000	11,000
Interest Expense		770	330
Legal Fees		2,123	38,489
Professional Fees		31,097	5,765
Rent and Outgoings		12,396	10,824
Station Meetings		5,851	2,037
Travel Accommodation & Conferences		68,650	41,848
Other Expenses		34,013	38,221
<b>Total Expenses</b>		<b>414,554</b>	<b>403,451</b>
<b>Surplus for the year</b>		<b>35,643</b>	<b>17,243</b>
<b>Total Comprehensive Income for the Year</b>		<b>35,643</b>	<b>17,243</b>

The accompanying notes form part of these financial statements.

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Balance Sheet**

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
Cash assets	5	457,344	403,420
Inventories	6	<u>4,206</u>	<u>5,085</u>
<b>Total Current Assets</b>		<u><b>461,550</b></u>	<u><b>408,505</b></u>
<b>Non-Current Assets</b>			
Other financial assets	7	10	10
Plant and equipment	8	<u>7,719</u>	<u>10,481</u>
<b>Total Non-Current Assets</b>		<u><b>7,729</b></u>	<u><b>10,491</b></u>
<b>Total Assets</b>		<u><b>469,279</b></u>	<u><b>418,996</b></u>
<b>Current Liabilities</b>			
Trade and Other Payables	9	141,276	14,143
Provisions	10	<u>2,082</u>	<u>114,575</u>
<b>Total Current Liabilities</b>		<u><b>143,358</b></u>	<u><b>128,718</b></u>
<b>Net Assets</b>		<u><b>325,921</b></u>	<u><b>290,278</b></u>
<b>Equity</b>			
Members' Funds	11	<u>325,921</u>	<u>290,278</u>
<b>Total Members' Equity</b>		<u><b>325,921</b></u>	<u><b>290,278</b></u>

The accompanying notes form part of these financial statements.

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Statement of Changes in Members' Equity

For the year ended 30 June 2012

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	Members' Funds	Total
	\$	\$
Balance at 1 July 2011	290,278	290,278
Surplus attributable to members	35,643	35,643
<b>Balance at 30 June 2012</b>	<b>325,921</b>	<b>325,921</b>

	Members' Funds	Total
	\$	\$
Balance at 1 July 2010	273,035	273,035
Surplus attributable to members	17,243	17,243
<b>Balance at 30 June 2011</b>	<b>290,278</b>	<b>290,278</b>

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Statement of Cash Flow  
For the year ended 30 June 2012**

	Note	2012 \$	2011 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from members and related activities		432,260	401,929
Payments to suppliers and employees		(396,273)	(383,058)
Interest received		17,937	18,764
Interest and other costs of finance		-	(9,913)
Net cash provided by (used in) operating activities	18	<u>53,924</u>	<u>27,722</u>
<b>Cash Flow From Investing Activities</b>			
Payments for plant and equipment		-	(9,672)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(9,672)</u>
Net increase (decrease) in cash held		53,924	18,050
Cash at the beginning of the year		<u>403,420</u>	<u>385,370</u>
Cash at the end of the year	17	<u>457,344</u>	<u>403,420</u>



# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

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## Note 1: Significant Accounting Policies

### (a) General information

This financial report covers United Firefighters' Union of Australia - Aviation Branch as an individual entity.

### (b) Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations.

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

### (c) Basis of Preparation

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

### (d) Comparatives

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

### (e) Inventories

Inventories are made up of promotional stock on hand and are measured at the lower of cost and net realisable value.

### (f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

## Note 1: Significant Accounting Policies (continued)

### (f) Plant and equipment (continued)

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the asset's useful life, and to the union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Office Equipment – Diminishing value basis	7.5 – 40 %
Office Equipment – Prime cost basis	10 – 25 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

### (g) Investments (financial assets)

Non-current investments are measured on the cost basis. The carrying amount of non current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments.

### (h) Cash and cash equivalents

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

### (i) Employee benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. A probability of the future payout was determined.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

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## Note 1: Significant Accounting Policies (continued)

### (j) Provisions

Provisions are recognised when the union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

### (k) Income Taxes

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

### (l) Revenue

Revenue from membership dues is accounted for on a cash receipts basis.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

### (m) Borrowing Costs

All borrowing costs are recognised in profit and loss the period in which they are incurred.

### (n) Goods and Services Tax (GST)

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

## Note 1: Significant Accounting Policies (continued)

### (o) Financial Liabilities

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

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

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

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

### (p) Application of new and revised Accounting Standards

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

<u>Standard</u>	<u>Impact on presentation and disclosure</u>
Amendments to AASB 7 'Financial Instruments: Disclosure'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.
Amendments to AASB 101 'Presentation of Financial Statements'	The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

## Note 1: Significant Accounting Policies (continued)

### (p) Application of new and revised Accounting Standards (continued)

<u>Standard</u>	<u>Impact on presentation and disclosure</u>
AASB 2011-1 'Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project'	The application of AASB 1054 and AASB 2011-1 in the current year has resulted in the simplification of disclosures in regards to audit fees, and capital and other expenditure commitments as well as an additional disclosure on whether the entity is a for-profit or not-for-profit entity.

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

#### Standards and Interpretations in issue not yet adopted

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

<u>Standard/Interpretation</u>	<u>Effective for annual reporting periods beginning on or after</u>	<u>Expected to be initially applied in the financial year ending</u>
AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9'	1 January 2013	30 June 2014
and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'		
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

## Notes to the Financial Statements

For the year ended 30 June 2012

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<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 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013

The Union does not anticipate early adoption of any of the above accounting standards.

### **Note 2: Notice Required Under The Fair Work (Registered Organisation) Act 2009**

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

- (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 - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>Note 3: Revenue and Other Income</b>		
<b>Revenue:</b>		
Interest revenue	17,937	18,764
Membership Fees	429,036	396,044
Reimbursements	<u>3,224</u>	<u>5,886</u>
	<u>450,197</u>	<u>420,694</u>

**Note 4: Surplus from Ordinary Activities**

Surplus from ordinary activities has been determined after:

**Charging as an Expense:**

Change in Inventories	<u>1,229</u>	<u>(1,679)</u>
<i>Depreciation of non-current assets:</i>		
- Plant and Equipment	<u>2,577</u>	<u>1,617</u>
Finance Leasing Charges		
Novated Lease	<u>-</u>	<u>9,583</u>
Rental expense on Operating Leases		
Minimum lease payments	<u>12,396</u>	<u>10,824</u>
Employee Benefits Expense		
Short Term Benefits	142,889	115,572
Post Employment Benefits	52,676	56,361
Other Employee Benefits	<u>(1,121)</u>	<u>31,715</u>
	<u>194,444</u>	<u>203,648</u>

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>Note 5: Cash assets</b>		
<b>Cash and Cash Equivalents:</b>		
Cash At Bank - Conference Account	6,959	84,604
Cash at Bank - Staff Account	76,035	76,873
Cash at Bank - Bendigo Bank	169,127	40,884
Cash at Bank - Members Equity	41,662	40,233
Cash at Bank - RegionalOne Credit Union	441	26,419
Cash at Bank - Credit Union Australia	169	189
Petty Cash Imprest	20	20
	<u>294,413</u>	<u>269,222</u>
<b>Financial Assets:</b>		
Term Deposit - Bendigo Bank	99,000	73,886
Term Deposit - Credit Union Australia	63,931	60,312
	<u>162,931</u>	<u>134,198</u>
	<u>457,344</u>	<u>403,420</u>

**Note 6: Inventories**

**Current**

Stock on Hand	4,206	5,085
	<u>4,206</u>	<u>5,085</u>

**Note 7: Financial Assets**

**Non-Current**

Shares in other companies - at cost		
Regional One Credit Union	10	10
	<u>10</u>	<u>10</u>



**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Notes to the Financial Statements**

For the year ended 30 June 2012

	2012 \$	2011 \$
<b>Note 8: Plant and Equipment</b>		
Office Furniture and Equipment:		
- At cost	13,417	28,931
- Less: Accumulated Depreciation	<u>(5,698)</u>	<u>(18,450)</u>
	<u>7,719</u>	<u>10,481</u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of plant and equipment, between the beginning and the end of the current financial year.

	Office Furniture and Equipment \$	Total \$
Balance at 1 July 2010	2,426	2,426
Additions	9,672	9,672
Depreciation Expense	<u>(1,617)</u>	<u>(1,617)</u>
Carrying amount at 30 June 2011	<u>10,481</u>	<u>10,481</u>
Loss on Disposal property, plant, equip	(185)	(185)
Depreciation Expense	<u>(2,577)</u>	<u>(2,577)</u>
Carrying amount at 30 June 2012	<u>7,719</u>	<u>7,719</u>

**Note 9: Trade and Other Payables**

	2012	2011
Current		
Unsecured Liabilities	\$	\$
Trade and other payables	<u>141,276</u>	<u>14,143</u>
	<u>141,276</u>	<u>14,143</u>

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Notes to the Financial Statements**

For the year ended 30 June 2012

**Note 10: Provisions**

	<b>Current Employee Benefits \$</b>	<b>Long-term Employee Benefits \$</b>	<b>Total \$</b>
Opening balance at 1 July 2011	85,381	29,194	114,575
Additional Provisions raised during the year	<u>5,080</u>	<u>3,222</u>	<u>8,302</u>
	90,461	32,416	122,877
Amounts used	15,497	-	15,497
Amounts paid out on termination	<u>72,882</u>	<u>32,416</u>	<u>105,298</u>
	88,379	32,416	120,795
<b>Balance as at 30 June 2012</b>	<u><u>2,082</u></u>	<u><u>-</u></u>	<u><u>2,082</u></u>
	<b>2012</b>	<b>2011</b>	
	<b>\$</b>	<b>\$</b>	
<b>Analysis of Total Provisions</b>			
Current	2,082	114,575	
Non-current	<u>-</u>	<u>-</u>	
	<u><u>2,082</u></u>	<u><u>114,575</u></u>	

There were 2 employees at the end of the year.

**Provision for Long-Term Employee Benefits**

A provision has been recognised for employee benefits relating to long service leave for employees. The measurement and recognition criteria for employee benefits has been included in Note 1.

**Note 11: Members' Funds**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Members' Funds at the beginning of the financial year	290,278	273,035
Net Surplus attributable to members	<u>35,643</u>	<u>17,243</u>
Members' Funds at the end of the financial year	<u><u>325,921</u></u>	<u><u>290,278</u></u>

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Notes to the Financial Statements**

For the year ended 30 June 2012

2012	2011
\$	\$

**Note 12: Donations**

As required by section 254 of the Fair Work (Registered Organisations) Act 2009, listed below are any donations in excess of \$1,000:

International Association of Firefighters <sup>2</sup>	<u>1,430</u>	<u>-</u>
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**Note 13: Leasing Commitments**

**Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable – minimum lease payments

Not later than 12 months	13,090	13,636
Between 12 months and five years	<u>26,180</u>	<u>-</u>
	<u>39,270</u>	<u>13,636</u>

The union had a lease on the building at 86a O'Shanassy Street, Sunbury which expired on 30 June 2012. On 29 June 2012 the Union relocated offices and has a lease from 01 July 2012 at Level 3, TLC Building, 16 Peel Street, Brisbane, for a period of three (3) years to 30 June 2015.

*All figures include GST.*

**Note 14: Auditors' Remuneration**

Remuneration of the auditor of the union for:

Audit of the financial report	<u>10,200</u>	<u>5,446</u>
	<u>10,200</u>	<u>5,446</u>

The auditor of the United Firefighters Union of Australia – Aviation Branch is Agostinelli Perlen.

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

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## Note 15: Key Management Personnel Compensation

### Remuneration of Committee Members

	2012	2011
	\$	\$
Short-term benefits	90,754	56,272
Post – Employment Benefits	52,676	49,967
Termination benefits	101,695	-
Other Expenses	2,675	-
	<u>247,800</u>	<u>106,239</u>

## Note 16: Financial Instruments

The union's financial assets comprise cash and cash equivalents and held-to-maturity investments. In addition the union has various financial liabilities including amounts payable to trade and other creditors.

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

	2012	2011
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	294,413	269,221
Short term deposits	162,931	134,198
Investments	10	10
<b>Total Financial Assets</b>	<u>457,354</u>	<u>403,429</u>
<b>Financial Liabilities</b>		
Trade and other payables	141,276	14,142
<b>Total Financial Liabilities</b>	<u>141,276</u>	<u>14,142</u>

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

## Notes to the Financial Statements

For the year ended 30 June 2012

### Note 16: Financial Instruments (continued)

#### Financial Risk Management Policies

The committee's overall risk management strategy seeks to assist the union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include the credit risk policies and future cash flow requirements.

The union does not have any derivative instruments at 30 June 2012.

#### Specific Financial Risk Exposures and Management

##### Interest Rate Risk

Interest rate risk refers to the risk that the value of financial instruments or cash flows associated with instruments will fluctuate due to changes in market interest rates. The union is exposed to interest rate fluctuations on its cash at bank. Interest rate risk is managed by continually reviewing the cash balances and transferring excess funds to term deposit accounts that earn a better rate of return.

	Weighted Average Effective Interest Rate	2012	Weighted Average Effective Interest Rate	2011
	%	\$	%	\$
<b>Floating Rate instruments</b>				
Cash and cash equivalents	3.33	294,413	3.98	269,202
<b>Total floating rate financial assets</b>		<u>294,413</u>		<u>269,202</u>
<b>Fixed Rate Instruments</b>				
Short term deposits	4.99	162,931	6.00	134,198
<b>Total fixed rate financial assets</b>		<u>162,931</u>		<u>134,198</u>

**United Firefighters Union of Australia - Aviation Branch**

ABN 96 533 521 914

**Notes to the Financial Statements**

For the year ended 30 June 2012

**Note 16: Financial Instruments (continued)**

**Liquidity Risk**

Liquidity risk arises from the possibility that the union might encounter difficulty in settling its debts related to financial liabilities. The union manages this risk by monitoring the operational, investing and financing activities of the union.

The following table shows the expected maturities of cash inflows and outflows from financial assets and trade and other payables.

<u>2012</u>	Floating Interest at Call \$	Fixed Interest Within 1 year \$	Non Interest Bearing \$	Total \$
<b>Financial assets – cash flows realisable</b>				
Cash and cash equivalents	294,393	-	20	294,413
Short term deposits	-	162,931	-	162,931
Investments	-	-	10	10
<b>Total anticipated inflows</b>	<b>294,393</b>	<b>162,931</b>	<b>30</b>	<b>457,354</b>
<b>Financial liabilities due for payment</b>				
Trade and other payables	-	-	141,276	141,276
<b>Total expected outflows</b>	<b>-</b>	<b>-</b>	<b>141,276</b>	<b>141,276</b>
<b>Net (outflow)/inflow on financial Instruments</b>	<b>294,393</b>	<b>162,931</b>	<b>(141,246)</b>	<b>316,078</b>

United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

**Note 16: Financial Instruments (continued)**

<u>2011</u>	Floating Interest at Call \$	Fixed Interest Within 1 year \$	Non Interest Bearing \$	Total \$
<b>Financial assets – cash flows realisable</b>				
Cash and cash equivalents	269,202	-	20	269,222
Short term deposits	-	134,198	-	134,198
Investments	-	-	10	10
<b>Total anticipated inflows</b>	<b>269,202</b>	<b>134,198</b>	<b>30</b>	<b>403,430</b>
<b>Financial liabilities due for payment</b>				
Trade and other payables	-	-	14,142	14,142
<b>Total expected outflows</b>	<b>-</b>	<b>-</b>	<b>14,142</b>	<b>14,142</b>
<b>Net (outflow)/inflow on financial Instruments</b>	<b>269,202</b>	<b>134,198</b>	<b>(14,112)</b>	<b>389,288</b>

# United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

## Note 16: Financial Instruments (continued)

### Net Fair Values

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

	2012		2011	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	294,413	294,413	269,222	269,222
Short term deposits	162,931	162,931	134,198	134,198
Investments	10	10	10	10
<b>Total Financial Assets</b>	<b>457,354</b>	<b>457,354</b>	<b>403,430</b>	<b>403,430</b>
<b>Financial Liabilities</b>				
Trade and other payables	141,276	141,276	14,142	14,142
<b>Total Financial Liabilities</b>	<b>141,276</b>	<b>141,276</b>	<b>14,142</b>	<b>14,142</b>



## United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

	2012	2011
	\$	\$

### Note 17. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

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

Cash At Bank - Conference Account	6,959	84,604
Cash at Bank - Staff Account	76,035	76,873
Cash at Bank - Bendigo Bank	169,127	40,884
Cash at Bank - Members Equity	41,662	40,233
Cash at Bank - RegionalOne Credit Union	441	26,419
Cash at Bank - Credit Union Australia	169	189
Petty Cash Imprest	20	20
Term Deposit - Bendigo Bank	99,000	73,886
Term Deposit - Credit Union Australia	63,931	60,312
	<b>457,344</b>	<b>403,420</b>

### Note 18. Cash flow Information

#### Reconciliation of Cash flow from Operating Activities

Net surplus for the year	35,643	17,243
Non-Cash flows in Surplus:		
Depreciation	2,577	1,617
Loss on disposal of plant and equipment	185	-
Changes in assets and liabilities:		
(Increase) decrease in inventories	879	(1,679)
Increase (decrease) in trade and other creditors	127,133	8,587
Increase (decrease) in provisions	(112,493)	1,954
<b>Net cash provided by operating activities</b>	<b>53,924</b>	<b>27,722</b>

## United Firefighters Union of Australia - Aviation Branch

ABN 96 533 521 914

Notes to the Financial Statements

For the year ended 30 June 2012

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### Note 19: Events After The Balance Sheet Date

There have not been any material events between the balance sheet date and the date of signing of the operating report.

### Note 20: Related Party Transactions

Affiliation Fees have been paid to the National Branch of the United Firefighters' Union in the amount of \$45,678 (2011: \$42,483) throughout the year.

### Note 21: Union Details

(a) **Registered office**

The registered office of the company is:

United Firefighters' Union of Australia - Aviation Branch

Level 3, TLC Building

16 Peel Street

South Brisbane QLD 4101

(b) **Principal place of business**

The principal place of business is:

United Firefighters' Union of Australia - Aviation Branch

Level 3, TLC Building

16 Peel Street

South Brisbane QLD 4101



FAIR WORK  
COMMISSION

22 January 2013

Mr Michael Farrell  
Branch Secretary  
United Firefighters' Union of Australia  
Aviation Branch

Sent by email: [ufuavat1@bigpond.com.au](mailto:ufuavat1@bigpond.com.au)

Dear Mr Farrell,

**Failure to lodge audited financial report(s) - [FR2012/305]**

Our records indicate that the Aviation Branch of the United Firefighters' Union of Australia (the reporting unit) has failed to lodge its audited financial report for the financial year ended 30 June 2012 despite Fair Work Australia (as it was) reminding the reporting unit of its obligation to do so by letter dated 15 August 2012.

As you have previously been advised, section 268 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires reporting units to lodge an audited financial report with the Fair Work Commission within a maximum of 6 months and 14 days of the end of their financial year (that is, no later than 14 January 2013).

Paragraph 7.4 of the FWC Regulatory Compliance Policy (a copy of which is attached) states as follows:

- 7.4 Where the possible contravention involves failure by an organisation, branch or reporting unit to lodge a matter with FWC in accordance with the timeframes specified in the RO Act, RO Regulations or the rules of the organisation, branch or reporting unit:*
- a. The Regulatory Compliance Branch will contact the organisation, branch or reporting unit, by telephone and/or in writing, within two weeks to advise that lodgement is overdue;*
  - b. If lodgement has not occurred within one month of the timeframe specified in the RO Act, RO Regulations or rules, the Regulatory Compliance Branch will advise the organisation, branch or reporting unit that it is seeking voluntary compliance within a specified timeframe and that, in the absence of such voluntary compliance without cause, FWC will commence an inquiry or investigation or initiate court proceedings; and*
  - c. If lodgement has not occurred within the timeframe specified in the correspondence referred to in paragraph b and the organisation, branch or reporting unit has not been able to show cause regarding why it should not do so, FWC will commence an inquiry or investigation or initiate court proceedings in accordance with this policy as soon as reasonably practicable.*

Section 331 of the RO Act empowers the General Manager of the Fair Work Commission to investigate compliance by a reporting unit (such as the Aviation Branch of the United Firefighters' Union of Australia), its officers, employees and auditor(s) with:

- Part 3 of Chapter 8 of the RO Act;
- the reporting guidelines made under that Part;
- the regulations made for the purposes of that Part;
- the United Firefighters' Union of Australia rules regarding finances and financial administration; and
- civil penalty provisions of the RO Act (see s.305).

In accordance with the processes specified in paragraph 7.4(b) of the *FWC Regulatory Compliance Policy* which are set out above, the reporting unit is required to lodge its outstanding audited financial report with the Fair Work Commission by no later than 14 February 2013.

Should the reporting unit fail to do so without reasonable cause, the Fair Work Commission may commence an investigation under s.331 of the RO Act without further notice.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,



Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch