



8 May 2014

Mr Chris Read
Branch Secretary
United Firefighters' Union of Australia
New South Wales Branch

By email: ufuansw@gmail.com

Dear Mr Read

Financial reports for the New South Wales Branch of the United Firefighters' Union of Australia ("UFUA") for the financial years ended 30 June 2010, 2011 and 2012 (FR2010/2762, FR2011/2768 and FR2012/446)

I refer to your letter of 13 March 2014 and the attachments.

The UFUA, New South Wales Branch ("the Branch") financial reports for the years ended 30 June 2010, 2011 and 2012 have now been filed.

Please ensure that future financial reports for the Branch are lodged in a timely manner. Also, please note that the third edition of the Reporting Guidelines published by the General Manager under s.255 of the *Fair Work (Registered Organisations) Act 2009* will apply to all financial reports that end on or after 30 June 2013. The Reporting Guidelines require additional disclosure of information from reporting units. The new Guidelines are available on the website here: <http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

If you have any questions please do not hesitate to contact me on (03) 8661 7915 from Wednesdays to Fridays or via email at cynthia.lobooth@fwc.gov.au

Yours sincerely

Cynthia Lo-Booth



13 March 2014

Cynthia Lo-Booth
Senior Advisor
Regulatory Compliance Branch
Fair Work Commission

By email: cynthia.lobooth@fwc.gov.au

Dear Ms Lo-Booth,

Re: Financial reports for the New South Wales Branch of the United Firefighters' Union of Australia ("UFUA") for the financial years ended 30 June 2010, 2011 and 2012 (FR2010/2762309, FR2011/2768389 and FR2012/446)

I write in response to your subsequent letter of 7 March regarding the financial reports of the NSW Branch for the financial years ending 30 June 2010, 2011 and 2012.

I first wrote to the UFUA's National Secretary, Mr Marshall as long ago as 6 June 2003 in an attempt to reach a common understanding between the National Office and the NSW Branch on the correct interpretation and application of Rule 29(1) regarding capitation fees. A copy of that letter is attached for your information.

Rule 29 (1) reads now, as it did then, as follows:

The monies of the Union which are allocated to the National fund shall consist of:-

- (1) (a) *With effect from the 1st July, 1997, an amount of 0.045% per annum of the annual wage rate of the Firefighter Level 1 in New South Wales as at the 31st December in each year which shall be paid by each Branch quarterly to the National Secretary in respect of each Branch member who is not a part time firefighter as contained in the certified audit of Branch membership in accordance with Sub-Rule 10(1)(e).*
- (b) *With effect from the 1st July, 1997, an amount of 0.009% per annum of the annual wage rate of the Firefighter Level 1 in New South Wales as at the 31st December in each year which shall be paid by each Branch quarterly to the National Secretary in respect of each part time firefighter Branch member who is so described in the certified audit of Branch membership in accordance with Sub-Rule 10(1)(e).*

In order to ascertain the capitation fees payable by the Branches, it is therefore necessary to first know the annual wage rate of the Firefighter Level 1 in NSW. Here below at Table 1 are the relevant FL1 wage rates from December 2003 onwards and at Table 2, my calculations for the consequential capitation fees for each calendar from 2004 to 2014 inclusive.

Table 1: NSW Firefighter Level 1 Wage Rates

NSW FL1 wage rates	Per week	Annual
as at 31 December 2003	\$812.20	\$42,379.38
as at 31 December 2004	\$844.69	\$44,074.66
as at 31 December 2005	\$878.48	\$45,837.77
as at 31 December 2006	\$978.81	\$51,072.84
as at 31 December 2007	\$1017.96	\$53,115.63
as at 31 December 2008	\$1064.78	\$55,558.62
as at 31 December 2009	\$1107.38	\$57,781.43
as at 31 December 2010	\$1151.67	\$60,092.41
as at 31 December 2011	\$1180.47	\$61,595.15
as at 31 December 2012	\$1209.98	\$63,134.94
as at 31 December 2013	\$1240.23	\$64,713.34

Table 2: UFUA Branch contributions per member (Rule 29(1))

Calendar year (ie 1 January to 31 December)	Full time per year	Full time per quarter	Part time per year	Part time per quarter
2004	\$19.07	\$4.77	\$3.81	\$0.95
2005	\$19.83	\$4.96	\$3.97	\$0.99
2006	\$20.63	\$5.16	\$4.13	\$1.03
2007	\$22.98	\$5.75	\$4.60	\$1.15
2008	\$23.90	\$5.98	\$4.78	\$1.20
2009	\$25.00	\$6.25	\$5.00	\$1.25
2010	\$26.00	\$6.50	\$5.20	\$1.30
2011	\$27.04	\$6.76	\$5.41	\$1.35
2012	\$27.72	\$6.93	\$5.54	\$1.39
2013	\$28.41	\$7.10	\$5.68	\$1.42
2014	\$29.12	\$7.28	\$5.82	\$1.46

The next step in determining the capitation fees payable by each Branch is the application of the above rates to the Branch numbers as contained in the audit of Branch membership pursuant to Sub-Rule 10(1)(e), “which identifies both full time firefighter members and part time firefighter members as at 30 June”. Table 3 shows these Branch numbers for the years 2003 to 2013 inclusive.

Table 3 – NSW Branch membership numbers

Year	Full time	Part time
at 30 June 2003	3,211	2,513
at 30 June 2004	3,236	2,481
at 30 June 2005	3,322	2,469
at 30 June 2006	3,417	2,380
at 30 June 2007	3,470	2,475
at 30 June 2008	3,505	2,581
at 30 June 2009	3,527	2,723
at 30 June 2010	629	912
at 30 June 2011	398	595
at 30 June 2012	160	286
at 30 June 2013	148	253

The capitation fees that I have estimated as being payable by the NSW Branch were/are therefore as set out below. By way of comparison, I have also inserted the figures provided by

both expert witnesses in the since-discontinued Federal Court matter, with the figures shown in blue type being those provided on behalf of the National Office and the figures shown in red type are those provided on behalf of the NSW Branch. These figures were included as part of the full experts' report that was attached to my letter of 6 March 2014, but I have for sake of convenience attached that spreadsheet (only) to this letter also.

Table 4 – NSW Branch capitation fees, July 2004 to June 2014

Financial Year (ie 1 July to 30 June)	Jul-Sep quarter	Oct-Dec quarter	Jan-Mar quarter	Apr-Jun quarter	Annual total
2004/05	\$17,792.67	\$17,792.67	\$18,506.75	\$18,506.75	\$72,598.84
2005/06	\$18,921.43	\$18,921.43	\$19,684.59	\$19,684.59	\$77,212.04
2006/07	\$20,083.12	\$20,083.12	\$22,384.75 \$22,367.99 \$22,376.21	\$22,384.75 \$22,367.99 \$22,376.21	\$84,935.74
2007/08	\$22,798.75 \$22,367.99 \$22,790.08	\$22,798.75 \$22,367.99 \$22,790.08	\$23,720.60 \$23,692.89 \$23,705.74	\$23,720.60 \$23,692.89 \$23,705.74	\$93,038.70 \$92,121.76 \$92,991.64
2008/09	\$24,057.10 \$23,692.89 \$24,041.89	\$24,057.10 \$23,692.89 \$24,041.89	\$25,132.50 \$25,133.89 \$25,147.72	\$25,132.50 \$25,133.89 \$25,147.72	\$98,379.20 \$97,653.56 \$98,379.22
2009/10	\$25,447.50 \$25,133.89 \$25,463.13	\$25,447.50 \$25,133.89 \$25,463.13	\$26,465.40 \$26,466.83 \$26,481.03	\$26,465.40 \$26,466.83 \$26,481.03	\$103,825.80 \$103,201.44 \$103,888.32
2010/11	\$5,274.10 \$5,274.39 \$5,277.96	\$5,274.10 \$5,274.39 \$5,277.96	\$5,483.24	\$5,483.24	\$21,514.68
2011/12	\$3,493.73	\$3,493.73	\$3,585.19	\$3,585.19	\$14,157.84
2012/13	\$1,506.34	\$1,506.34	\$1,542.12	\$1,542.12	\$6,096.92
2013/14	\$1,410.06	\$1,410.06	\$1,446.82	\$1,446.82	\$5,713.76

You will note that my above figures for 2011/12 are inconsistent with the figures the NSW Branch proposed for that year in my letter to Mr Marshall dated 1 August 2011, the latter of which I have now concluded were incorrect (albeit to an annual difference of less than \$1).

The red, blue and black type comparisons demonstrate that the differences between all three are marginal, and can be explained by different approaches to rounding and to the order of calculation. For example, whereas Agostinelli and BDO both calculated the annual amount payable per member and then multiplied that amount by the number of members and divided the result by 4 in order to determine the quarterly amount payable by the Branch, the NSW Branch calculated an annual amount payable per member and then divided that result by 4 in order to arrive at a quarterly amount payable per member that was then multiplied by the number of members to determine the quarterly amount payable by the Branch. On reflection, and a strict interpretation of Rule 29(1), the approach taken by both Agostinelli and BDO is the correct one.

The application of the GST is a more significant point of difference. The NSW Branch contends that there is no capacity within the Rules for the GST to be applied in addition to the Rule's amounts and that the amounts payable by branches under Rule 29 are therefore inclusive of GST. This is not a new position. In my attached letter of 3 June 2003 to Mr Marshall, I wrote:

“Further to and consistent with the above, the NSW Branch notes that the National administration added 10% to the rate of contribution to the National Fund upon the

introduction of the Commonwealth's Goods and Services Tax (GST) on 1 July 2000. Notwithstanding my earlier observations with regard to the ambiguities contained therein, the NSW Branch considers that Rule 29, Moneys Allocated to National Fund, is clear in that it makes no mention of nor contingency for the imposition of additional amounts to cover the GST. In the absence of any amendment to Rule 29, could you please advise under what authority has the National Office added a GST component over and above the amount prescribed by that Rule?"

I will return to the role of the GST shortly insofar as it concerns the apparent difference between the NSW Branch financial report figures and my letters to Mr Marshall for each of the years in question.

The red and blue type comparisons in Table 4 also support the NSW Branch contention that the amounts being invoiced by the National Office are consistently incorrect, as demonstrated here below at Table 5. It should be noted that by the reckoning of the National Office's own auditor (Agostinelli), the National Office both over-charged (11 quarters) and under-charged (5 quarters) without managing to issue a single correct invoice during this four year period.

Table 5 – NSW Branch capitation fees, invoiced versus payable, 2007-2010

National Office invoice no.	Date of National Office invoice	Period invoiced	Amount invoiced by National Office	Amount that should have been invoiced according to Agostinelli	Amount that should have been invoiced according to BDO
INV00000069	24/4/07	January to March 2007	\$20,080.53	\$22,367.99	\$22,376.21
INV00000077	6/6/07	April to June 2007	\$20,080.53	\$22,367.99	\$22,376.21
INV00000096	4/11/07	July to September 2007	\$20,080.53	\$22,367.99	\$22,790.08
INV00000097	4/11/07	October to December 2007	\$20,080.53	\$22,367.99	\$22,790.08
INV00000123	1/1/08	January to March 2008	\$20,080.53	\$23,692.89	\$23,705.74
INV00000159	23/4/08	April to June 2008	\$26,092.66	\$23,692.89	\$23,705.74
INV02031256	2/7/08	July to September 2008	\$29,222.05	\$23,692.89	\$24,041.89
INV02031274	1/10/08	October to December 2008	\$26,511.85	\$23,692.89	\$24,041.89
INV02031317	1/1/09	January to March 2009	\$27,220.21	\$25,133.89	\$25,147.72
INV00031333	1/4/09	April to June 2009	\$27,540.25	\$25,133.89	\$25,147.72
INV00031353	1/7/09	July to September 2009	\$27,884.70	\$25,133.89	\$25,463.13
INV00031377	1/10/09	October to December 2009	\$27,992.25	\$25,133.89	\$25,463.13
INV00031393	1/1/10	January to March 2010	\$27,992.25	\$26,466.83	\$26,481.03
INV00031412	1/4/10	April to June 2010	\$27,992.25	\$26,466.83	\$26,481.03
INV00031454	24/8/10	July to September 2010	\$7,523.20	\$5,274.39	\$5,277.96
INV00031457	1/10/10	October to December 2010	\$14,442.20	\$5,274.39	\$5,277.96
			\$370,816.52	\$348,261.52	\$350,567.52

Turning to the years ending 30 June 2010, 2011 and 2012, the situation is as set out here below in Table 6. Note that in the absence of any Agostinelli or BDO figures beyond December 2010, I have relied instead on the NSW Branch estimates (which, as Table 4 demonstrated, are very close to both the Agostinelli and BDO figures in any event).

Table 6 – NSW Branch capitation fees, invoiced versus payable, 2009-2012

National Office invoice no.	Date of National Office invoice	Period invoiced	Amount invoiced by National Office	Amount that should have been invoiced according to Agostinelli	Amount that should have been invoiced according to BDO or NSW Branch
INV00031353	1/7/09	July to September 2009	\$27,884.70	\$25,133.89	\$25,463.13
INV00031377	1/10/09	October to December 2009	\$27,992.25	\$25,133.89	\$25,463.13
INV00031393	1/1/10	January to March 2010	\$27,992.25	\$26,466.83	\$26,481.03
INV00031412	1/4/10	April to June 2010	\$27,992.25	\$26,466.83	\$26,481.03
INV00031454	24/8/10	July to September 2010	\$7,523.20	\$5,274.39	\$5,277.96
INV00031457	1/10/10	October to December 2010	\$14,442.20	\$5,274.39	\$5,277.96
INV00031483	1/1/11	January to March 2011	\$14,147.62		\$5,483.24
INV00031506	1/4/11	April to June 2011	\$14,442.20		\$5,483.24
INV00031454	24/8/10	July to September 2011	\$7,523.20		\$3,493.73
INV00031503	28/3/11(sic)		\$6,919.00		
INV00031528	6/7/11	July to September 2011	\$15,022.35		
INV00031571	3/10/11	October to December 2011	\$9,571.67		\$3,493.73
INV00031592	1/1/12	January to March 2012	\$9,571.67		\$3,585.19
INV00031608	1/4/12	April to June 2012	\$9,571.67		\$3,585.19
			\$220,596.23		\$139,568.56

While outside of the three financial years in review, Table 7 here below nonetheless demonstrates continued errors in the National Office's invoicing.

Table 7 – NSW Branch capitation fees, invoiced versus payable, 2012/13 to date

National Office invoice no.	Date of National Office invoice	Period invoiced	Amount invoiced by National Office	Amount that should have been invoiced according to NSW Branch
INV00031628	1/7/12	July to September 2012	\$4,123.13	\$1,506.34
INV00031646	1/10/12	October to December 2012	\$4,123.13	\$1,506.34
INV00031664	1/1/13	January to March 2013	\$4,123.13	\$1,542.12
INV00031683	3/4/13	April to June 2013	\$4,123.13	\$1,542.12
INV00031701	1/7/13	July to September 2013	\$4,225.74	\$1,410.06
INV00031721	1/10/13	October to December 2013	\$3,863.96	\$1,410.06
INV00031743	7/1/14	January to March 2014	\$3,863.96	\$1,446.82
			\$28,446.18	\$10,363.86

Turning now to your query over the apparent inconsistencies between the amounts in my letters to Mr Marshall of 1 August 2011, 13 July 2012 and 19 July 2013 and the amounts shown in the NSW Branch financial reports, the answer is the GST. Or more correctly, whether or not the GST is included.

Further to and consistent with my earlier advice regarding the GST, the figures shown in my letters to Mr Marshall are all inclusive of GST. Your letter cited the difference between the capitation fees nominated by the NSW Branch for the 2011/12 year of \$14,156.86 and the amount of \$12,870 shown in the 2012 financial report as evidence of the documents supplied with my letter of 6 March not supporting the NSW Branch figures. If, however, you add \$1,287 in GST to the \$12,870 financial report's figure then you will arrive at \$14,157.

The answer then to your first "yellow highlight" query insofar as the capitation fees are concerned is that the figures shown in the financial reports are nett of GST. Table 8 below demonstrates the effect of this treatment for each of the financial years in question:

Table 8: Impact of GST on 2010, 2011 and 2012 financial report figures

Year	National Office invoices	National financial report	NSW Branch estimates	NSW Branch financial report	NSW Branch financial report plus 10% GST
2009/10	\$111,861.45	\$101,692	\$103,835.80	\$94,416	\$103,857
2010/11	\$50,555.22	\$52,517	\$21,514.68	\$19,566	\$21,522
2011/12	\$58,179.56	\$34,806	\$14,157.84	\$12,870	\$14,157

It can be seen that whilst the National Office's amounts invoiced remained incorrect, the National financial report for the 2009/10 financial year treated the capitation fees payable by the NSW Branch in the same way (ie, \$101,692 + \$10,169 GST = \$111,861). The National figures for the subsequent 2010/11 and 2011/12 years are obviously less easy to interpret and/or explain.

The answer to your second "yellow highlight" query regarding the Note 4 payables shown in the NSW Branch financial reports is that each amount shown is the previous year's payable amount plus the current year's capitation fees, in this case inclusive of GST. Table 9 below demonstrates the effect of this treatment for each of the financial years in question:

Table 9: Payables to National Office (Note 4), 2010, 2011 & 2012 financial report figures

Year	(a) NSW Branch financial report, amounts payable (Note 4)	(b) Capitation fees payable, including GST (see Table 8)	(a) – (b) = previous year's (a)
2009/10	\$72,051	\$103,857	-
2010/11	\$93,574	\$21,522	\$72,052
2011/12	\$107,731	\$14,157	\$93,574

I have not checked with the NSW Branch auditors on this (nor indeed on any of these answers, which are simply my understanding of the information as presented), but I presume that the \$1 difference between the two \$72K figures is due to a rounding issue.

I trust that all of the information provided here above satisfactorily answers the questions you raised in your letter of 7 March 2014, and that each of the financial reports in question may now be filed.

The invoicing of the NSW Branch has remained a continual problem since 2002. Invoices issued by the National Office have rarely if ever been correct due to the National Office's

reliance on incorrect membership numbers, incorrect rates and even incorrect multiplications and additions. It is these errors, and the subsequent failure of the National Administration to properly investigate and respond to the repeated complaints of the NSW Branch, that have driven this disputation, the decimation of the NSW Branch and the loss of 40% of the UFUA's national membership.

I first wrote to FWC (then FWA) to convey my concerns over possible financial irregularities within the UFUA's Victoria Branch on 28 October 2010. I regret to say that despite coming from a member of the Union's National Executive, my concerns were effectively waived away by the Delegate to the General Manager in correspondence dated 15 November 2010 (but not received by me before 17 February 2011) as a matter for Victoria Branch members alone. I believed at that time, as I do now, that the Delegate was wrong in his decision and reasons to dismiss my concerns (including, but not limited to, his silence regarding s.332(1)(b)).

I wrote again to FWA on 9 March 2011 to report a serious complaint over the UFUA's financial report for the year ended 30 June 2010, concluding that letter by stating "I remain deeply concerned by the UFUA's financial affairs, governance and apparent contravention of the Fair Work (Registered Organisations) Act 2009 and therefore look forward to your earliest acknowledgement of, and response to, these issues and concerns". The Delegate responded on 18 March 2011 by pointing me in the direction of the Federal Court of Australia, where the National Office had by then initiated proceedings against the NSW Branch, and advising that "at this point in time this is not a matter for FWA's consideration". I wrote yet again in no uncertain terms on 29 March 2011 to clarify my complaint and to urge FWA to act on it, only to be told by reply letter from the Delegate dated 7 April 2011 that "I remain of the view that it is not appropriate for FWA to consider any action in relation to the UFUA until the Federal Court proceedings have been resolved".

The Federal Court proceedings referred to were long since discontinued by the applicant (ie, the UFUA National Office) prior to hearing in August 2012. I therefore formally request that FWC reconsider, investigate and act upon each of the concerns and complaints set out my letters of 28 October 2010, 16 February 2011, 9 March 2011 and 29 March 2011 (copies of all of which are attached) without further delay.

Yours sincerely,



Chris Read
Branch Secretary

United Firefighters' Union of Australia New South Wales Branch

6 June 2003

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

Dear Comrade,

The NSW Branch remains confused by the National administration's calculation of the dues payable by each Branch to the National Fund. As you are aware, Rule 29 (1) provides that:

"The monies of the Union which are allocated to the National fund shall consist of:-

(1) (a) With effect from the 1st July, 1997, an amount of 0.045% per annum of the annual wage rate of the Firefighter Level 1 in New South Wales as at the 31st December in each year which shall be paid by each Branch quarterly to the National Secretary in respect of each Branch member who is not a part time firefighter as contained in the certified audit of Branch membership in accordance with Sub-Rule 10(1)(e).

(b) With effect from the 1st July, 1997, an amount of 0.009% per annum of the annual wage rate of the Firefighter Level 1 in New South Wales as at the 31st December in each year which shall be paid by each Branch quarterly to the National Secretary in respect of each part time firefighter Branch member who is so described in the certified audit of Branch membership in accordance with Sub-Rule 10(1)(e)."

There is considerable ambiguity in these particular sub-rules in that the annual factor by which to arrive at the "annual wage rate" (ie 52, or 52.1785) is not specified and further, that neither sub-rule identifies which component of the wages of the "Firefighter Level 1 in New South Wales" is to be used in determining the final figure. I refer to the fact that most permanent firefighter classifications in NSW provide three (weekly) wage rates under the relevant industrial instrument:

1. a "Rate of Pay";
2. a "Roster Allowance"; and
3. a "Total Weekly Rate".

Despite these ambiguities, I have adopted the (technically more accurate) weekly to annual factor of 52.1785 and the "Total Weekly Rate" for the purposes of this correspondence.

From my reading of Rule 29, there are only two points at which the quarterly Branch contributions to the National Fund are adjusted. The first date (being 1 July of each year) does not affect the rate of contribution per member, but rather the number of members for whom each Branch must then contribute until the next membership in audit in 12 months' time. This first "point of review" of Branch contributions to the National Fund therefore impacts upon each Branch separately. However, the second date (31 December) affects all Branches because this second "point of review" directly affects the contribution rate per member, based upon the Branch membership numbers as at 1 July. It follows that for most (if not all) Branches, a new rate of contribution to the National Fund should come into effect every six months - on 1 July and 31 December. I believe that nothing short of a Rule change permits Branch contribution rates to be varied within either of those 6 month periods.

Proceeding on the above understanding, the second "point of review" on 31 December - which is the one which adjusts the contribution rate per member nationally for the coming twelve months and which is based upon the "Annual wage rate of the Firefighter Level 1 in New South Wales" - should therefore have been calculated as follows:

NSW F/F Level 1 Wage Rates

	<u>Weekly</u>	<u>Annual</u>
as at 31 December 1997	\$647.80	\$33,801.23
as at 31 December 1998	\$667.23	\$34,815.06
as at 31 December 1999	\$687.33	\$35,863.85
as at 31 December 2000	\$722.11	\$37,678.62
as at 31 December 2001	\$743.78	\$38,809.32
as at 31 December 2002	\$773.53	\$40,361.64

UFUA Branch contributions/member

	<u>Full-time</u>	<u>Part-time</u>
From 1 January 1998 to 31 December 1998	\$15.21	\$3.04
From 1 January 1999 to 31 December 1999	\$15.67	\$3.13
From 1 January 2000 to 31 December 2000	\$16.14	\$3.23
From 1 January 2001 to 31 December 2001	\$16.96	\$3.39
From 1 January 2002 to 31 December 2002	\$17.46	\$3.49
From 1 January 2003 to 31 December 2003	\$18.16	\$3.63

The rate of contribution to the National Fund for the 2003 calendar year is therefore currently \$18.16 per annum for each full-time member, and \$3.63 for each part-time member. Further movements in NSW firefighter wage rates will see that rise to \$19.07 per annum for each full-time member, and \$3.81 for each part-time member effective on and from 1 January 2004, as follows:

NSW F/F Level 1 Wage Rates

	<u>Weekly</u>	<u>Annual</u>
as at 31 December 2003	\$812.20	\$42,379.38

UFUA Branch contributions/member

	<u>Full-time</u>	<u>Part-time</u>
From 1 January 2004 to 31 December 2004	\$19.07	\$3.81

The National administration has, however, set Branch contributions per member to the National Fund quite differently over recent years, as demonstrated by the follows figures:

	<u>Full-time</u>	<u>Part-time</u>
<i>From 1 January 1998 to 31 December 1998</i>	\$15.20	\$3.05
<i>From 1 January 1999 to 31 December 1999</i>	\$15.20	\$3.05
<i>From 1 January 2000 to 30 June 2000</i>	\$15.20	\$3.05
<i>From 1 July 2000 to 31 December 2000</i>	\$17.70	\$3.50
<i>From 1 January 2001 to 30 June 2001</i>	\$17.70	\$3.50
<i>From 1 July 2001 to 31 December 2001</i>	\$17.80	\$3.55
<i>From 1 January 2002 to 31 March 2002</i>	\$17.80	\$3.55

Something weird appears to have happened somewhere between April 2002 and September 2002, because my papers from the National Executive meeting of 24/25 February 2003 show (at item 14) that the National administration had by that time increased the rate of contribution to \$18.38 for each full-time member. As demonstrated above, the NSW Branch believes the current rate of contribution to the National to be \$18.16 per annum for each full-time member, and \$3.63 for each part-time member.

Clearly, the NSW Branch and the National administration cannot both be correct. Could you please check the above and share your thoughts in due course?

On matters somewhat related, the NSW Branch understands that it has long (if not always) been the case that ACTU affiliation fees have been levied separately and additional to Branch contributions to the National Fund. That something has always been done a particular way does not, however, make it correct.

The UFUA's constituent Branches do not affiliate separately to the ACTU. Rather, the UFUA affiliates to the ACTU as a single entity, which in turn leads the NSW Branch to question why it is that ACTU affiliation fees are not being met from the National Fund? Could you please advise under what authority the NSW (or indeed any) Branch has been billed for the UFUA's affiliation to the ACTU?

Further to and consistent with the above, the NSW Branch notes that the National administration added 10% to the rate of contribution to the National Fund upon the introduction of the Commonwealth's Goods and Services Tax (GST) on 1 July 2000. Notwithstanding my earlier observations with regard to the ambiguities contained therein, the NSW Branch considers that Rule 29, Moneys Allocated to National Fund, is clear in that it makes no mention of nor contingency for the imposition of additional amounts to cover the GST. In the absence of any amendment to Rule 29, could you please advise under what authority has the National Office added a GST component over and above the amount prescribed by that Rule?

Yours fraternally,

COPY

Chris Read
Branch Secretary

Annexure A - Capitation Fees																	
Formula Used Below																	
Capitation Fees Payable F = E divided by 4																	
Where E = (A times by C) + (B times by D)																	
Where A = Full Time members at 30 June																	
Where B = Part time members at 30 June																	
Where C = Full Time Levy as calculated below																	
Where D = Part time Levy as calculated below																	
Agostenelli								BDO						Diagreements			
Quarters	A	B	C	D	E	F		A	B	C	D	E	F	Variance	rounding	Member numbers	GST
	Full -time members	Part- time members	Full Time Levy	Part time Levy	Amount	Amount Excluding GST	Amount Including GST	Full -time members	Part- time members	Full Time Levy	Part time Levy	Amount	Amount Including GST BDO				
January to March 2007	3,417	2,380	22.98	4.60	89,471.95	22,367.99	24,604.79	3,417	2,380	22.99	4.60	89,504.83	22,376.21	(8.22)	(8.22)	0.00	2,236.80
April to June 2007	3,417	2,380	22.98	4.60	89,471.95	22,367.99	24,604.79	3,417	2,380	22.99	4.60	89,504.83	22,376.21	(8.22)	(8.22)	0.00	2,236.80
July to Sept 2007	3,417	2,380	22.98	4.60	89,471.95	22,367.99	24,604.79	3,470	2,475	22.99	4.60	91,160.30	22,790.08	(422.09)	(8.22)	(413.87)	2,236.80
Oct to Dec 2007	3,417	2,380	22.98	4.60	89,471.95	22,367.99	24,604.79	3,470	2,475	22.99	4.60	91,160.30	22,790.08	(422.09)	(8.22)	(413.87)	2,236.80
January to March 2008	3,470	2,475	23.90	4.78	94,771.56	23,692.89	26,062.18	3,470	2,475	23.91	4.79	94,822.95	23,705.74	(12.85)	(12.85)	0.00	2,369.29
April to June 2008	3,470	2,475	23.90	4.78	94,771.56	23,692.89	26,062.18	3,470	2,475	23.91	4.79	94,822.95	23,705.74	(12.85)	(12.85)	0.00	2,369.29
July to Sept 2008	3,470	2,475	23.90	4.78	94,771.56	23,692.89	26,062.18	3,505	2,581	23.91	4.79	96,167.54	24,041.89	(349.00)	(12.85)	(336.15)	2,369.29
Oct to Dec 2008	3,470	2,475	23.90	4.78	94,771.56	23,692.89	26,062.18	3,505	2,581	23.91	4.79	96,167.54	24,041.89	(349.00)	(12.85)	(336.15)	2,369.29
January to March 2009	3,505	2,581	25.00	5.00	100,535.56	25,133.89	27,647.28	3,505	2,581	25.01	5.01	100,590.86	25,147.72	(13.83)	(13.83)	0.00	2,513.39
April to June 2009	3,505	2,581	25.00	5.00	100,535.56	25,133.89	27,647.28	3,505	2,581	25.01	5.01	100,590.86	25,147.72	(13.83)	(13.83)	0.00	2,513.39
July to Sept 2009	3,505	2,581	25.00	5.00	100,535.56	25,133.89	27,647.28	3,527	2,723	25.01	5.01	101,852.50	25,463.13	(329.24)	(13.83)	(315.41)	2,513.39
Oct to Dec 2009	3,505	2,581	25.00	5.00	100,535.56	25,133.89	27,647.26	3,527	2,723	25.01	5.01	101,852.50	25,463.13	(329.24)	(13.83)	(315.41)	2,513.37
						284,779.07	313,256.96						287,049.54	(2,270.47)	(139.61)	(2,130.86)	28,477.89
													(26,207.42)		(139.61)	(2,130.86)	28,477.89
															(1a)	(1b)	(1c)
Jan to Mar 2010	3,527	2,723	26.00	5.20	105,867.34	26,466.83	29113.52	3,527	2,723	26.01	5.21	105,924.10	26,481.03	(14.20)	2646.68	2,632.49	
April to Jun 2010	3,527	2,723	26.00	5.20	105,867.34	26,466.83	29113.52	3,527	2,723	26.01	5.21	105,924.10	26,481.03	(14.20)	2646.68	2,632.49	
July to Sept 2010	629	912	26.00	5.20	21,097.54	5,274.39	5801.82	629	912	26.01	5.21	21,111.81	5,277.96	(3.57)	527.44	523.86	
Oct to Dec 2010	629	912	26.00	5.20	21,097.54	5,274.39	5801.82	629	912	26.01	5.21	21,111.81	5,277.96	(3.57)	527.44	523.86	
					(3).	63,482.44	69830.69					(3).	63,517.98	(35.54)	6348.24	6312.71	
Supporting Calculation of Levy for Full Time and Part Time Members														0.62	0	0.624	
Levy Full Time Rate I = H multiplied by 0.00045.														(34.91)	6348.24	6313.33	
Levy Part Time Rate J = H multiplied by 0.00009.														3(a)	3(b)		
Where H = G multiplied by 52.1785																	
Agostenelli					BDO												
Date	G	H	I	J				G	H	I	J						
	Weekly Rate	Annual Rate (*52.1785)	Levy Yearly Rate - Full - time 0.045%	Yearly Levy Part time 0.009				Weekly Rate	Annual Rate (*52.1785)	Levy Yearly Rate - Full - time 0.045%	Yearly Levy Part time 0.009						
31/12/2006	978.81	51,072.84	22.98	4.60				978.81	51,072.84	22.99	4.60						
31/12/2007	1,017.96	53,115.63	23.90	4.78				1,017.96	53,115.63	23.91	4.79						
31/12/2008	1,064.78	55,558.63	25.00	5.00				1,064.78	55,558.63	25.01	5.01						
31/12/2009	1,107.37	57,780.91	26.00	5.20				1,107.37	57,780.91	26.01	5.21						
31/12/2010	1,151.67	60,092.42	27.04	5.41				1,151.67	60,092.42	27.05	5.41						
			Note A	Note A						Note A	Note A						
Note A: Differences a result of rounding up to 2 decimal places.																	



7 March 2014

Mr Chris Read
Branch Secretary
United Firefighters' Union of Australia
New South Wales Branch

By email: ufuansw@gmail.com

Dear Mr Read

Financial reports for the New South Wales Branch of the United Firefighters' Union of Australia ("UFUA") for the financial years ended 30 June 2010, 2011 and 2012 (FR2010/2762, FR2011/2768 and FR2012/446)

I acknowledge receipt of your correspondence dated 6 March 2014.

Thank you for the correspondence and attachments. The information contained within covered the issues raised in my letter dated 7 February 2014 with the exception of question 3, "Inconsistency in capitation figures".

The attached documents did not assist in verifying the capitation figures as they related to an early period. Furthermore, I note that there are letters that have been sent to Mr Marshall dated 1 August 2011, 13 July 2012 and 19 July 2013 (see attached) that provide an estimate of capitation fees payable by the NSW Branch based on the number of full time and part time members. Are these figures only estimates? For example, it is noted that for the 2011/12 financial year capitation fees amounted to **\$14,156.86** (\$3,486.21 + \$3,496.21 + \$3,582.22 + \$3,582.22). However in the financial report for the year ended 30 June 2012, the capitation fees appearing in the statement of comprehensive income was only **\$12,870**. Accordingly the document does not support the NSW Branch figure.

Please provide further supporting documents to confirm the figures of the table below regarding the NSW Branch figures that are highlighted in yellow.

Items	UFUA National Office (\$)	UFUA NSW Branch (\$)
Capitation dues from NSW Branch for year end 30 June 2010	101,692	94,416
Capitation dues from NSW Branch for year end 30 June 2011	52,517	19,566
Capitation dues from NSW Branch for year end 30 June 2012	34,806	12,870
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2010	146,899	72,051

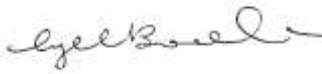
11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone: (03) 8661 7915
International: (613) 8661 7915
Facsimile: (03) 9655 0410
Email: cynthia.lobooth@fwc.gov.au

Items	UFUA National Office (\$)	UFUA NSW Branch (\$)
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2011	211,741	93,574
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2012	253,484	107,731

If you have any questions regarding this letter please do not hesitate to contact me on (03) 8661 7915 or via email at cynthia.lobooth@fwc.gov.au I work part time from Wednesdays to Fridays.

Yours sincerely



Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch

Enc.



1 August 2011

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

Dear Peter,

I write in response to Ms Mullenger's email of 22 June 2011 to confirm that the NSW Branch membership at 30 June 2011 stood at 398 full time members and 595 part time members. I understand this to have two effects; firstly, a reduction in the number of National Delegates from the NSW Branch from three to two and secondly, a reduction in the capitation fees payable by the NSW Branch. I estimate the amount payable by the NSW Branch for the 2011/12 financial year under Rule 29(1) to be as follows:

- Jul - Sep qtr = $\$6.76 \times 398$ full time members + $\$1.35 \times 595$ part time members = **\\$3,496.21**
- Oct - Dec qtr = $\$6.76 \times 398$ full time members + $\$1.35 \times 595$ part time members = **\\$3,496.21**
- Jan - Mar qtr = $\$6.93 \times 398$ full time members + $\$1.39 \times 595$ part time members = **\\$3,582.22**
- Apr - Jun qtr = $\$6.93 \times 398$ full time members + $\$1.39 \times 595$ part time members = **\\$3,582.22**

I look forward to your confirmation of agreement, or otherwise, with these figures in due course. In the event that you do not agree then it would assist if you could explain why. While I am on the subject, can you please explain why, and under what authority, you recently commenced invoicing the NSW Branch for quarterly "captivation" (sic) fees at the rate of \$16.19 per full time member and \$3.23 per part time member? \$14,156.86

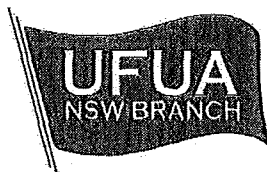
Ms Mullenger's email flags her intention to raise invoices for the July-September quarter this month, however Note 4(b) of the UFUA's 2009/10 General Purpose Financial Report (the most recent available) makes it abundantly clear that capitation fees remain payable in arrears. That being so, the financial position of the NSW Branch has improved to the extent that I anticipate resuming quarterly capitation payments to the National Fund for the July-September quarter on 1 October. In the event that the Federal Court finds in favour of the respondents then the NSW Branch should also be in a position to clear all outstanding debts to the National Fund by year's end.

I note in closing that you have still not responded to my repeated requests for NEX and NCOM minutes and/or notification of any meetings of those bodies, the latest example being your failure to notify me or any National Delegate from NSW of last month's NCOM meeting.

Yours fraternally,

Chris Read
Branch Secretary

cc: ACT, Aviation, QLD, SA, TAS and WA Branch Secretaries



13 July 2012

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

Dear Peter,

I write to confirm that the NSW Branch membership at 30 June 2012 stood at 160 full time members and 286 part time members.

I have once again calculated the amount payable by the NSW Branch under Rule 29(1) for the coming financial year, which I understand to be as follows:

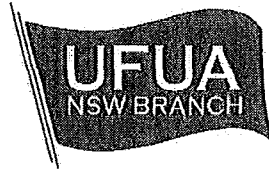
- **Jul - Sep qtr** = $\$6.93 \times 160$ full time members + $\$1.39 \times 286$ part time members = **\$1,506.34**
 - **Oct - Dec qtr** = $\$6.93 \times 160$ full time members + $\$1.39 \times 286$ part time members = **\$1,506.34**
 - **Jan - Mar qtr** = $\$7.10 \times 160$ full time members + $\$1.42 \times 286$ part time members = **\$1,542.12**
 - **Apr - Jun qtr** = $\$7.10 \times 160$ full time members + $\$1.42 \times 286$ part time members = **\$1,542.12**
- 2012/13 Total = \$6,096.92**

Yours fraternally,

A handwritten signature in black ink, appearing to be 'CR' followed by a flourish.

Chris Read
Branch Secretary

cc: ACT, Aviation, QLD, SA, TAS and WA Branch Secretaries



19 July 2013

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

Dear Peter,

I write to confirm that the NSW Branch membership at 30 June 2012 stood at 148 full time members and 253 part time members.

I have once again calculated the amount payable by the NSW Branch under Rule 29(1) for the coming financial year, which I understand to be as follows:

- Jul - Sep qtr = $\$7.10 \times 148$ full time members + $\$1.42 \times 253$ part time members = **\$1,410.06**
- Oct - Dec qtr = $\$7.10 \times 148$ full time members + $\$1.42 \times 253$ part time members = **\$1,410.06**
- Jan - Mar qtr = $\$7.28 \times 148$ full time members + $\$1.46 \times 253$ part time members = **\$1,446.82**
- Apr - Jun qtr = $\$7.28 \times 148$ full time members + $\$1.46 \times 253$ part time members = **\$1,446.82**

2013/14 Total = \$5,713.76

Your acknowledgment of this correspondence and your confirmation of concurrence or otherwise with my calculations is once again requested although, given your failure to do so for the preceding three years straight, not anticipated.

Yours fraternally,

A handwritten signature in black ink, appearing to be 'CR' followed by a flourish.

Chris Read
Branch Secretary

cc: ACT, Aviation, QLD, SA, TAS and WA Branch Secretaries



6 March 2014

Cynthia Lo-Booth
Senior Advisor
Regulatory Compliance Branch
Fair Work Commission

By email: cynthia.lobooth@fwc.gov.au

Dear Ms Lo-Booth,

Re: Financial reports for the New South Wales Branch of the United Firefighters' Union of Australia ("UFUA") for the financial years ended 30 June 2010, 2011 and 2012 (FR2010/2762309, FR2011/2768389 and FR2012/446)

I write in response to your letter of 7 February regarding the financial reports of the NSW Branch for the financial years ending 30 June 2010, 2011 and 2012. Further to my email to you of this morning, I again apologise for not replying by your deadline of 5pm yesterday, 5 March.

My answers to each of your five questions follows here below.

1. Membership subscription for the financial report for year ended 30 June 2011

On 30 September 2010, the NSW Branch Committee of Management responded to the financial difficulties arising from the FBEU's decision to cease funding the NSW Branch by resolving as follows:

"That the Branch Secretary's report on the financial position of the NSW Branch dated 16 June 2010 be received and that in consideration of same, this meeting of the NSW Branch Committee of Management recognises and accepts that:

- a) the FBEU's officials have ceased forwarding funds to the NSW Branch, and have been unable to do so since 30 June 2010; and*
- b) the NSW Branch needs to raise funds as a matter of urgency in order to service its considerable debts, both existing and anticipated; and*
- c) the Branch Committee has no option but to fix Branch subscriptions pursuant to Rule 80; and*
- d) for numerous reasons, but primarily the continued operation of the FBEU and its membership within the state IR system, there remains a low level of identification with, expectation from, enthusiasm for or commitment to the UFUA amongst NSW firefighters; and*
- e) the FBEU's sudden call to its members to resign from the UFUA has decimated the NSW Branch membership, thereby eroding the capacity of the Branch to raise funds and potentially shouldering each of the remaining NSW Branch members with a responsibility to service and clear ever higher levels of NSW Branch debt; and*
- f) it is neither practicable nor fair to the remaining NSW Branch members to strike a levy, which if struck may not be sufficient to service the outstanding debt in any event; and*
- g) it is unreasonable to expect that NSW Branch members would be automatically aware of any*

United Firefighters Union of Australia, New South Wales Branch

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new financial liability to the UFUA, and NSW Branch members should therefore be written to before any Branch membership subscriptions take effect; and

- h) point (g) notwithstanding, the NSW Branch finances are currently such that the Branch cannot afford to write to its members;*

and therefore resolves that:

- i) pursuant to Rule 80(1)(a), each NSW Branch full-time (ie, permanent) member shall pay a Branch membership subscription of \$75 per quarter, effective on and from 1 January 2011; and*
- j) pursuant to Rule 80(1)(b), each NSW Branch part-time (ie, retained) member shall pay a Branch membership subscription of \$15 per quarter, effective on and from 1 January 2011; and*
- k) pursuant to Rule 80(2), NSW Branch members shall be required to pay their first NSW Branch membership subscriptions on or before 31 December 2010; and*
- l) the NSW Branch Committee of Management undertakes to service and retire the NSW Branch debt to the National Office as soon as possible, subject to the receipt of membership subscriptions under points (i), (j) and (k) above; and*
- m) immediately upon the retirement of all outstanding NSW Branch debts, the NSW Branch Committee of Management will review the subscriptions payable by NSW Branch members and, if possible, reduce them so that permanent members would thereafter pay a Branch membership subscription of \$25 per quarter, and retained members a subscription of \$5 per quarter; and*
- n) the Branch Secretary should approach the National Secretary to inquire if the National Office is able and willing to cover the cost of a mailout to all NSW Branch members; and*
- o) in recognition of the above, and of points (d), (e) and (g) in particular, and the spirit and intent of Rule 7(1)(i) which requires members to be advised, in writing, of the financial obligations arising from membership, the Branch Secretary should advise members, if possible by direct mail:*
- i) of the state of NSW Branch finances and debts and the pending introduction of NSW Branch membership subscriptions; and*
- ii) of the potential for levies to be raised upon individual members of the Branch pursuant to Rule 81; and*
- iii) of the operation of Rule 8(3), which provides that any dues payable but not paid by a former member of the Union, in relation to a period before the member's resignation from the Union took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union."*

NSW Branch members were subsequently advised of this decision and the requirement to pay dues by way of a notice, which read in part:

The FBEU's sudden call earlier this year for its members to resign from the UFUA has decimated the NSW Branch membership, thereby eroding the capacity of the Branch to raise funds and potentially shouldering each of the remaining Branch members with a responsibility to service and clear ever higher levels of Branch debt. The NSW Branch therefore needs to raise funds as a matter of urgency in order to service those debts, both existing and anticipated.

NSW Branch officials recognised that it was neither practicable nor fair to the remaining members to strike a levy, which if struck may not be sufficient to service the outstanding debt in any event, and therefore believed the NSW Branch had no option but to set Branch membership subscriptions pursuant to Rule 80.

Members are therefore advised that commencing on and from 1 January 2011, NSW Branch membership subscriptions shall be:

- for full-time (i.e., permanent) members, \$75 per member, per quarter; and*
- for part-time (i.e., retained) members, \$15 per member, per quarter.*

While it is open to speculation why, the fact remains that the BCOM decision of 30 September 2010 was almost universally ignored by the NSW Branch membership, leading the NSW Branch Committee to pursue various rule amendments to Schedule 1, including a new sub-Rule 5 to elevate the requirement to pay Branch subscriptions beyond a decision to an actual rule. The eventual certification of those rule amendments (the passage of which you would of course be familiar) on 17 February 2012 led a 7 March 2012 meeting of the NSW Branch Committee of Management to resolve as follows:

“That the Branch Secretary’s report regarding:

- a) the almost complete non-compliance of members with the requirement to pay NSW Branch subscriptions pursuant to Rule 80 commencing the first quarter of 2011; and*
- b) the certification by FWA of a new NSW Branch Rule on 17 February 2012 setting the annual membership subscription for each member of the New South Wales Branch at the amount equivalent to 4.4 financial units; and*
- c) the recent decision by FWA to direct the AEC to conduct the tri-ennial Branch elections and the Returning Officer’s consequential closure of the role of eligible voters, being all financial members of the NSW Branch as at today’s date; and*
- d) the obvious desirability and very clear preference of the NSW Branch Committee of Management to have as many members of the NSW Branch participate in the tri-ennial Branch elections as possible;*

be received and noted and in consideration of all of the above, this meeting resolves to:

- e) rescind points (i), (j), (k) and (l) of the decision of the NSW Branch Committee of Management meeting of 30 September 2010 and further, and to avoid all doubt, to waive the requirement of any NSW Branch member, past or present, to pay membership subscriptions under the decision of the Branch Committee of Management meeting of 30 September 2010, thereby removing any and all debt to the Union of such members and restoring all remaining members of the NSW Branch to financial status as of today’s date; and*
- f) return any membership subscriptions made pursuant to the decision of the Branch Committee of Management meeting of 30 September 2010 which had not yet been paid into the NSW Branch Fund to the members concerned; and*
- g) retain any membership subscriptions made pursuant to the decision of the Branch Committee of Management meeting of 30 September 2010 and which had already been paid into the NSW Branch Fund and to hold such subscriptions as forward payments by the members concerned for the membership subscriptions now payable by all members on and from 31 March 2012 pursuant to Rule 5 of Schedule 1 of the Union’s Registered Rules.”*

The apparent anomaly of the NSW Branch having received only \$164 for membership subscriptions despite having 993 Branch members for year ended 30 June 2011 can therefore be explained by the near universal failure of those members to pay those subscriptions. The apparent accompanying anomaly of there being no amounts showing as outstanding or owed by those Branch members in the accounts for the year ended 30 June 2011 can be explained firstly, by the above Branch Committee decision of 7 March 2012 to rescind the decision of 30 September 2010 and secondly, by the (regrettably late) preparation and lodgment of those accounts with FWC subsequent to that 7 March 2012 decision.

2. Key management compensation

I will raise the apparent failure to observe AASB 124(17) of the Australian Accounting Standards with the NSW Branch auditor, but can confirm here that for each of the financial years in question (and indeed since then) that no officer of the Branch received any compensation in money or in kind.

3. Inconsistency in capitation figures

The inconsistency is essentially due to the National Secretary's failure to observe and apply the Union's Rules in relation to capitation fees and levies.

The Federal Court proceedings in VID 915/2009 and VID 326/2010 saw an order that the experts for both parties confer and prepare for the Court a joint document regarding the disputed monies, setting out:

- a) the matters on which they were agreed;
- b) the matters on which they disagreed; and
- c) the reasons for the disagreement.

Those proceedings were subsequently withdrawn by the applicant (ie the UFUA National Office) before the report was considered by the Court, but the report itself is attached in full in support of the NSW Branch figures.

Also attached in support of the NSW Branch figures are various items of plainly relevant correspondence from the NSW Branch to National Secretary, none of which were ever answered.

Further information is available regarding the application of the relevant rules and calculation of the relevant figures, and will be readily provided upon request.

4. Note 3 – Receivables \$79,526 from UFUA National Office

Note 3 is clear in its explanation of this receivable, the value of which was not disputed by the UFUA National Office's expert in the attached report referred to above. That Note read as follows:

An allowance for doubtful debts has been booked in the accounts representing a disputed net receivable amount from the National Office which was subject to legal action at balance date. The legal action was in relation to a financial dispute regarding capitation fees and ACTU Affiliation fees payable by the NSW Branch to the National Office. The legal action was initiated in December 2009 by the National Office in the Federal Court. These proceedings were subsequently discontinued by the National Office prior to hearing in August 2012. No amounts have since been received from the United Firefighters Union of Australia - National Office or paid by the United Firefighters Union of Australia NSW Branch.

As the amount owed by the NSW Branch (by even the NSW Branch's reckoning) exceeds the amount owed by the National Office to the NSW Branch, it would have to be considered unlikely that this amount would be repaid outside of the resolution of the disputed capitation amounts.

5. Going concern

If the continued loss of members by the NSW Branch cloud has a silver lining, then it is the corresponding decrease in capitation fees payable by the Branch to the National Office. This is the largest single expense for the NSW Branch so while the financial position of the Branch has continued to deteriorate, it has done so at an increasingly slower rate. By way of example, while the annual capitation fees payable by the NSW Branch for 2010/11 amounted to \$14,157, the fees payable for 2013/14 amounted to only \$5,714 – or less than half of that payable only three years' beforehand.

Looking forward, the NSW Branch has sufficient cash reserves to allow it to meet all of its anticipated expenses, other than National Office capitation fees, over the short to medium term.

Over the longer term, NSW Branch Committee of Management remains hopeful that an upswing in financial membership will ensure the continued financial viability of the Branch, but it has also held discussions with the FBEU with a view to re-establishing the financial support that sustained the NSW Branch from its inception until 2010. Those discussions have progressed to the extent that the FBEU's State Committee of Management has now adopted a stance of in-principle support for the renewal of financial support, albeit subject to the UFUA first amending its rules to address FBEU concerns with the UFUA's finances and governance. While this might not yet represent a guaranteed solution to the financial difficulties of the NSW Branch, the Branch nonetheless considers it a significant step forward.

Please do not hesitate to contact me should you require any further information or assistance with this clearly important inquiry.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'CR', with a small flourish at the end.

Chris Read
Branch Secretary



7 February 2014

Mr Chris Read
Branch Secretary
United Firefighters' Union of Australia
New South Wales Branch

By email: ufuansw@gmail.com

Dear Mr Read

Financial reports for the New South Wales Branch of the United Firefighters' Union of Australia ("UFUA") for the financial years ended 30 June 2010, 2011 and 2012 (FR2010/2762309, FR2011/2768389 and FR2012/446)

The UFUA, New South Wales Branch ("the Branch") financial reports for the years ended 30 June 2010 and 2011 were lodged with Fair Work Australia on 8 November 2012 and the financial report for the year ended 30 June 2012 was lodged with the Fair Work Commission¹ ("the FWC") on 14 January 2013. I apologise for the delay in responding to these financial reports.

The financial reports have not been filed.

I have examined the reports. Following the examination I have identified a number of matters that require further explanation. Please provide the following requested information in writing to the FWC by **Wednesday, 5 March 2014**. The information must be signed off by an office holder such as a person in your position.

1. Membership subscription for the financial report for year ended 30 June 2011

The operating report disclosed that there were 993 Branch members for the year ended 30 June 2011. The membership dues reported in the statement of comprehensive income was only \$164. The statement of financial position and Note 3 do not indicate that any more money was expected to be received from the Branch members.

It is further noted in Note 8 that since 22 April 2010 the Branch is no longer financially dependent on the New South Wales Fire Brigade Employees' Union. It appears that Branch members are required to make direct membership payments to the Branch.

Please provide a written explanation for the anomaly of having only \$164 for membership subscription with 993 members and that there are no amounts outstanding owed by Branch members for the financial year ended 30 June 2011.

2. Key management compensation

AASB 124(17) of the Australian Accounting Standards requires disclosure of any key management compensation. There are no Notes to the accounts regarding this. Please confirm for each of the financial years whether any key management officers have received any

¹ Fair Work Australia changed its name to the Fair Work Commission on 1 January 2013.

compensation in money or in kind. If such compensation was provided, please disclose the name of the officer and the value of the compensation.

3. Inconsistency in capitation figures

During a cross checking exercise I note that the following figures between the UFUA National Office and the Branch were different.

Items	UFUA National Office (\$)	UFUA NSW Branch (\$)
Capitation dues from NSW Branch for year end 30 June 2010	101,692	94,416
Capitation dues from NSW Branch for year end 30 June 2011	52,517	19,566
Capitation dues from NSW Branch for year end 30 June 2012	34,806	12,870
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2010	146,899	72,051
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2011	211,741	93,574
Receivables from NSW Branch/Payables to National Office (Note 4) for year ended 30 June 2012	253,484	107,731

Please provide the supporting documentation which confirms that the figures that are being reported in the Branch general purpose financial report are correct. A similar request has been made to the UFUA National Office.

4. Note 3 - Receivables \$79,526 from UFUA National Office

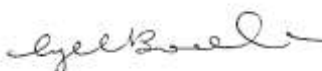
All three financial reports for years ended 30 June 2010, 2011 and 2012 disclose that the Branch expect a payment of \$79,526 from the UFUA National Office. What are the terms of payment as the same amount has been expected in the last three financial years? What is the likelihood that this money will be received by the Branch?

5. Going concern

Since the New South Wales Fire Brigade Employees' Union has resolved to cease forwarding funds to the Branch from 22 April 2010 and the Branch's financial position has resulted in an accumulated deficit for the last three years, please provide further information regarding the Branch's ability to continue as a going concern. What is the future plan for the Branch to continue to be financially viable?

If you have any questions regarding this letter please do not hesitate to contact me on (03) 8661 7915 or via email at cynthia.lobooth@fwc.gov.au I work part time from Wednesdays to Fridays and I will be on annual leave from 20 February to 4 March inclusive.

Yours sincerely



Cynthia Lo-Booth
Senior Adviser
Regulatory Compliance Branch



8 November 2012

The General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

By email: cynthia.lo-booth@fwa.gov.au

Attention: Cynthia Lo-Booth, Tribunal Services and Organisations

Dear Ms Lo-Booth,

**Re: Designated Officer's Certificate
Financial report for year ended 30 June 2011 – [FR2011/2768]
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I, Chris Read, being the Branch Secretary of United Firefighters Union of Australia, New South Wales Branch certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009 being the financial report for the year ended 30 June 2011; and
- that the full report was provided to members on 26 September 2012; and
- that the full report was presented to a general meeting of members on 30 October 2012 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.

I acknowledge and apologise for the extended delay in finalising both this matter and FR2010/2762. That said, the difficulties which gave rise to these delays have now been addressed and as such, I am confident that there will be no further delays in the lodgement of future NSW Branch financial reports.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Chris Read'.

Chris Read
Branch Secretary

UNITED FIREFIGHTERS UNION OF AUSTRALIA
NEW SOUTH WALES BRANCH
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

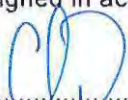
OPERATING REPORT

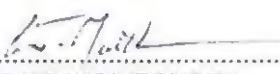
The Branch Committee of Management presents its operating report of the United Firefighters Union of Australia NSW Branch for the financial year ended 30 June 2011.

1. The principal activity of the NSW Branch during 2010/2011 financial year was to remain registered under the Fair Work (Registered Organisations) Act 2009. There was no significant change to the nature of this activity from the previous financial year.
2. A financial dispute in relation to capitation fees and ACTU Affiliation fees payable by the NSW Branch to the National Office was the subject of Federal Court proceedings initiated by the National Office in December 2009. These proceedings were discontinued by the National Office prior to hearing in August 2012.
3. The resignations which commenced in April 2010 continued, with the Branch experiencing a loss of a further 548 members during the 2010/2011 financial year.
4. The rights of members to resign from the NSW Branch by written notice addressed and delivered to the Branch Secretary are set out within Rule 8 of the Union's Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
5. There was known to be one officer of the NSW Branch, C. Read who during the financial year was a director of NSW Fire Brigades Superannuation Pty Ltd, being a company that is a trustee of a superannuation entity.
6. There were 993 members of the Branch as at 30 June 2011.
7. The number of staff employed by the Branch on a full time equivalent basis at 30 June 2011 was Nil.
8. The names of each person who were members of the Branch Committee of Management, at any time, during the financial year are as follows:-

I Straiton	1 July 2010 – 16 July 2010
J Bland	1 July 2010 – 10 August 2010
D Harpley	1 July 2010 – 10 August 2010
P Harmon	1 July 2010 – 10 August 2010
G Matthews	1 July 2010 – 30 June 2011
C Read	1 July 2010 – 30 June 2011

Signed in accordance with a resolution of the Branch Committee of Management


.....
CHRIS READ


.....
GREG MATTHEWS

25 September 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 25 September 2012 the Branch Committee of Management of the United Firefighters Union of Australia, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2011.

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

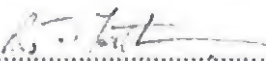
- (a) the financial report and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 June 2011;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2011 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch 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 Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the Branch or a Registrar under section 272 of General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 30 June 2011 the Branch did not participate in any recovery of wages activity.

For the Branch Committee of Management



.....

CHRIS READ



.....

GREG MATTHEWS

25 September 2012

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2011**

	Note	2011	2010
		\$	\$
INCOME			
Membership Dues		164	-
New South Wales Fire Brigade Employees' Union		<u>-</u>	<u>46,368</u>
		<u>164</u>	<u>46,368</u>
EXPENDITURE			
Audit Fees		1,250	1,250
Bad Debts Expense – UFUA National Office		-	7,475
Bank Charges		-	135
Capitation Fees - UFUA National Office		<u>19,566</u>	<u>94,416</u>
TOTAL EXPENDITURE		<u>20,816</u>	<u>103,276</u>
(DEFICIT) FOR YEAR		<u>(20,652)</u>	<u>(56,908)</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS		<u>(20,652)</u>	<u>(55,658)</u>

The accompanying notes form part of the financial report.

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

**STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2011**

	Note	2011	2010
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash at Bank		273	93
Receivables	3	<u>74,614</u>	<u>74,614</u>
TOTAL ASSETS		<u>74,887</u>	<u>74,707</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	4	<u>97,375</u>	<u>76,543</u>
TOTAL LIABILITIES		<u>97,375</u>	<u>76,543</u>
NET ASSETS		<u>(22,488)</u>	<u>(1,836)</u>
ACCUMULATED (DEFICIT)		<u>(22,488)</u>	<u>(1,836)</u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (DEFICIT)
FOR THE YEAR ENDED 30 JUNE 2011**

	Accumulated Funds \$
Restated Balance at 30 June 2009	<u>55,072</u>
Net Deficit for the Year	(56,908)
Balance at 30 June 2010	<u>(1,836)</u>
Net Deficit for the Year	(20,652)
Balance at 30 June 2011	<u>(22,488)</u>

The accompanying notes form part of the financial report.

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

**STATEMENT OF CASHFLOWS FOR THE
YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts – New South Wales Fire Brigade Employees' Union		-	46,368
Membership Dues		180	-
Payment to UFUA National Office		-	(46,268)
Payments to Suppliers		-	(135)
		<hr/>	<hr/>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6(b)	<hr/> 180	<hr/> (35)
NET INCREASE (DECREASE) IN CASH		180	(35)
Cash at Beginning of Year		<hr/> 93	<hr/> 128
CASH AT END OF YEAR	6(a)	<hr/> 273	<hr/> 93

The accompanying notes form part of the financial report.

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the New South Wales Branch of the United Firefighters Union of Australia, and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The United Firefighters Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The New South Wales Branch is a Branch of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the New South Wales Branch are not subject to the *Corporations Act 2001*.

Going Concern

The United Firefighters Union of Australia New South Wales Branch has a deficit of \$20,652, for the year ended 30 June 2011 and had net liabilities of \$22,488 as at 30 June 2011. The financial statements have been prepared on a going concern basis due to the factors referred to in Note 8. The Branch Committee of Management has assessed and considered it appropriate for the accounts to be prepared on this basis.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The Branch Committee of Management has determined that the United Firefighters Union of Australia New South Wales Branch is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the Branch Committee of Management has early adopted AASB 2010-2 Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements from 1 July 2009. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013.

The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial report and related notes because it merely requires less disclosures for these general purpose financial report, which has been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Revenue

Revenues are accounted for on an accrual basis.

(b) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

(c) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 on the statement of financial position are shown inclusive of GST.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

3. RECEIVABLES

	Note	2011	2010
		\$	\$
United Firefighters Union of Australia – National Office		79,526	79,526
New South Wales Fire Brigade Employees Union - Adam Bandt Consultancy		2,563	2,563
Allowance for doubtful debts – UFUA National Office		(7,475)	(7,475)
		<u>74,614</u>	<u>74,614</u>

An allowance for doubtful debts has been booked in the accounts representing a disputed net receivable amount from the National Office which was subject to legal action at balance date. The legal action was in relation to a financial dispute regarding capitation fees and ACTU Affiliation fees payable by the NSW Branch to the National Office. The legal action was initiated in December 2009 by the National Office in the Federal Court. These proceedings were subsequently discontinued by the National Office prior to hearing in August 2012. No amounts have since been received from the United Firefighters Union of Australia - National Office or paid by the United Firefighters Union of Australia NSW Branch.

4. PAYABLES

	Note	2011	2010
		\$	\$
United Firefighters Union of Australia – National Office		93,574	72,051
Sundry payable		3,801	4,492
		<u>97,375</u>	<u>76,543</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)

5. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

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

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

6. CASH FLOW INFORMATION	2011	2010
	\$	\$
(a) For the purposes of the cash flow statement cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank	<u>273</u>	<u>93</u>
(b) Reconciliation of cash flow from operations with operating result		
Net (Deficit)	(20,652)	(56,908)
Changes in Assets and Liabilities		
Decrease in Receivables	-	32,607
Increase in payables	<u>20,832</u>	<u>24,266</u>
CASH FLOWS FROM OPERATIONS	<u>180</u>	<u>(35)</u>

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- (a) UFUA National Office Capitation Fees and ACTU Affiliation Fees are disclosed as expenses in the statement of comprehensive income and as a payment in the statement of cash flows.
- (b) UFUA National Office Capitation Fees payable are disclosed at Note 4 of the accounts.
- (c) UFUA National Office ACTU Affiliation Fees receivable are disclosed at Note 3 of the accounts

UNITED FIREFIGHTERS UNION OF AUSTRALIA

NEW SOUTH WALES BRANCH

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011 (Cont'd)**

8. FINANCIAL DEPENDENCE

The United Firefighters Union of Australia's NSW Branch was previously dependent upon the financial support of the New South Wales Fire Brigade Employees' Union in order to pay its debts as and when they fell due. On 22 April 2010 the New South Wales Employees' Union resolved to cease forwarding funds to the NSW Branch.

On 17 February 2012 Fair Work Australia certified various amendments to Schedule 1, Branch Rules of the United Firefighters Union of Australia New South Wales Branch, including a new sub-rule which for the first time set annual membership subscription fees for NSW Branch members. These new membership fees become payable on and from 1 April 2012 and will, if paid, allow the NSW Branch to meet all anticipated debts and liabilities.

9. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:

145 De Boss Street
Temora NSW 2666

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ABN 91 130 913 594
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000
Locked Bag Q800
QVB Post Office
Sydney NSW 1230GPO Box 2551
Sydney NSW 2001

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of United FireFighters Union of Australia New South Wales Branch

We have audited the general purpose financial report of United FireFighters Union of Australia New South Wales Branch, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information to the financial report and the committee of management's statement, for the year ended.

Responsibility of the Branch Committee of Management and Branch Secretary for the financial report

The branch committee of management and the branch secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Fair Work (Registered Organisations) Regulations 2009, all requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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 Branch Committee of Management and Branch Secretary, 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

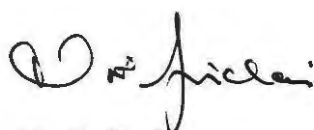
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion the general purpose financial report of United FireFighters Union of Australia New South Wales Branch is presented fairly in accordance with applicable Australian Accounting Standards Reduced Disclosure Requirements, the Fair Work (Registered Organisations) Regulations 2009 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Director - Audit & Assurance
Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

26 September 2012