



Australian Government
Registered Organisations Commission

3 May 2017

Ms Lea Anderson
Secretary, West Australian Branch
United Firefighters' Union of Australia

By Email: lea@ufuofwa.net.au

Dear Ms Anderson

Re: Lodgement of Financial Statements and Accounts – United Firefighters' Union of Australia, West Australian Branch - for year ended 31 December 2016 (FR2016/351)

I refer to the financial report for the West Australian Branch of the United Firefighters' Union of Australia. The report was lodged with the Fair Work Commission on 31 March 2017.

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

Please note the next report may be subject to an advanced review.

Reporting Requirements

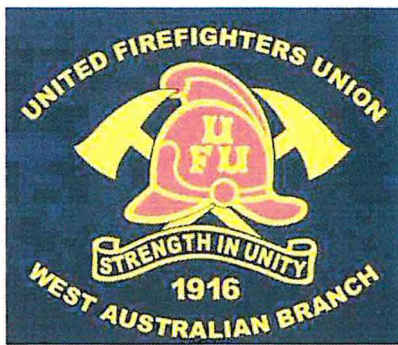
On the Registered Organisations Commission ('ROC') website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained at <http://www.roc.gov.au/running-a-registered-organisation/financial-reporting>

Should you require further information on the financial reporting requirements of the Act, I may be contacted on [REDACTED] or [REDACTED] or by email at stephen.kellett@fwc.gov.au

Yours sincerely

A handwritten signature in black ink that reads 'Stephen Kellett'.

Stephen Kellett
Financial Reporting



**UNITED FIREFIGHTERS UNION
OF AUSTRALIA
WEST AUSTRALIAN BRANCH**

ABN: 31 367 577 278

PRESIDENT: Kevin Jolly *AFSM*

SECRETARY: Lea Anderson

31 March 2017

Ref: 10/17

Fair Work Commission
Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Email: orgs@fwc.gov.au

Dear Sir/Madam,

Lodgement of Financial Documents

Please find enclosed a copy of the General Purpose Financial Report for the year ended 31 December 2016 for the United Firefighters Union of Australia West Australian Branch, including the Designated Officer's Certificate.

If you require any further information please contact our office on (08) 9228 8122.

Yours faithfully

Lea Anderson
Secretary

**UNITED FIREFIGHTERS UNION OF AUSTRALIA
WEST AUSTRALIAN BRANCH**

ABN 31 367 577 278

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

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UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2016

I, Lea Anderson, being the Secretary of the United Firefighters Union of Australia West Australian Branch, certify:

- that the documents lodged herewith are copies of the full report for the United Firefighters Union of Australia West Australian Branch for the year ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 20 February..... 2017; and
- that the full report was presented to a general meeting of members of the reporting unit on 22 March..... 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Anderson

Lea Anderson

Secretary

Dated: 31st day of March 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* ("Act") the Branch Committee of Management ("the Committee") present their operating report on the United Firefighters Union of Australia West Australian Branch ("the Union") for the financial year ended 31 December 2016.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the Union is a trade union which represents the industrial interests of the career public sector and private industry firefighters, communications officers and fire safety officers employed within the state of Western Australia.

There have been no significant changes in the nature of the Union's activity during the financial year.

Significant changes in financial affairs

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Union.

Operating results

The Union's profit for the year amounted to \$212,294 (2015: \$154,520).

Rights of members to resign

Members may resign from the Union by giving written notice to the Union in accordance with the rules of the Union.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

No officer of the Union is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Number of members

Number of members of the register of members as at 31 December 2016: 1,231 (2015: 1,175).

Number of employees

At the end of the financial year the Union employed 4.2 FTE's.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Name of Committee of Management members and period positions held during the financial year

The names of the Committee Members in office at any time during or since the end of the financial year are:

1. Kevin Jolly President (1 January 2016 – continuing)
2. Lea Anderson Secretary (1 January 2016 – continuing)
3. Leigh Bishop Vice President – Officer (1 January 2016 – continuing)
4. Scott Gamble Vice President - Firefighter (1 January 2016 – continuing)
5. Frank Martinelli Assistant Secretary (1 January 2016 – continuing)
6. Steve Matthews Trustee – Officer (1 January 2016 – continuing)
7. Lou Parker Trustee – Firefighter (1 January 2016 – continuing)
8. Adam Steenson Trustee - Ordinary (1 January 2016 - continuing)
9. Lexie Bowring Committee Member (1 January 2016 - continuing)
10. Dean Fanderlinden Committee Member (1 January 2016 – continuing)
11. Mick Bartlett Committee Member (1 January 2016 – continuing)
12. Darryl Browning Committee Member (1 January 2016 – continuing)
13. Mick DiLallo Committee Member (1 January 2016 – continuing)
14. Cian Evans Committee Member (1 January 2016 - continuing)
15. Christopher O'Keefe Committee Member (1 January 2016 – 9 March 2016)
16. Clem Chan Committee Member (1 January 2016 – continuing)
17. Mark Payne Committee Member (1 January 2016 – 21 September 2016)
18. Brad Stockley Committee Member (1 January 2016 – continuing)
19. Kerry Bailey Committee Member (1 January 2016 - continuing)
20. Martin Coles Committee Member (9 March 2016 – continuing)

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Officers & employees who are directors of a company or a member of a board

Name of Officer	Name of Company/Board	Principal Activity	Position Due to Nomination
Frank Martinelli	Hot Gold Holdings	Building	No

Indemnification of officer or auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Union.

Proceedings on behalf of the Union

No person has applied for leave of Court to bring proceedings on behalf of the Union or intervene in any proceedings to which the Union is a party for the purpose of taking responsibility on behalf of the Union for all or any part of those proceedings. The Union was not a party to any such proceedings during the year.

Wages recovery activity

The Union has not undertaken any recovery of wages activity for the financial year ended 31 December 2016.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

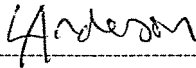
Other Information

There is no other information that the Union considers relevant.

Auditor's Independent Declaration

A copy of the auditor's independence declaration is set out on page 6.

Signed in accordance with a resolution of the Committee of Members passed on the 8th day of February 2017.



Lea Anderson

Secretary

Dated: 15th day of February 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

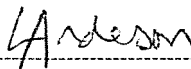
COMMITTEE OF MANAGEMENT STATEMENT

On the 8th day of February 2017 the Committee of Management of United Firefighters Union of Australia West Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

The Branch Committee of Management declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission ("General Manager");
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
4. there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - a. meetings of the Committee of Management were held in accordance with the rules of the Union; and
 - b. the financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - c. the financial records of the Union have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* ("RO Act"); and
 - d. the Union is a sole reporting unit, therefore the financial records of the Union have been kept in a consistent manner specifically relating to the Union; and
 - e. no information has been sought in any request by a member of the Union or General Manager duly made under section 272 of the RO Act; and
 - f. no orders for inspection of financial records have been made by the Fair Work Commissioner under section 273 of the RO Act during the year.
6. no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Lea Anderson

Secretary

Dated: 15th day of February 2017



Anderson Munro & Wyllie

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**AUDITORS' INDEPENDENCE DECLARATION
TO THE MEMBERS OF
UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH**

As auditor for the audit of United Firefighters Union of Australia West Australian Branch for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

Anderson munro + wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Martin Shone

Principal

Dated at Perth, Western Australia this 16th day of February 2017

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Revenue			
Membership subscription	3A,10	1,264,427	1,172,282
Capitation fees	3B	-	-
Levies	3C	-	-
Interest received	3D	11,394	12,888
Holiday home service recovery funds	3E	32,861	31,052
Grants or donations	3F	-	-
Other income		64,767	3,968
Total income		1,373,449	1,220,190
Expenses			
Employee expenses	4A	584,370	555,375
Capitation fees	4B	88,337	83,880
Affiliation fees	4C	24,080	21,154
Administration expenses	4D	207,824	208,554
Grants or donations	4E	7,411	7,178
Depreciation and write off	6	54,178	58,513
Legal costs	4F	11,457	36,529
Audit fees	15	15,877	17,215
Other expenses	4G	167,621	77,272
		1,161,155	1,065,670
Net profit attributable to members of the Union		212,294	154,520
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members of the Union		212,294	154,520

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016	2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5A	1,105,717	919,535
Trade and other receivables	5B	6,884	4,165
Inventories		69,474	13,726
Other current assets	5C	63,393	56,216
TOTAL CURRENT ASSETS		1,245,468	993,642
NON-CURRENT ASSETS			
Land and buildings	6	2,413,629	3,055,705
Building improvements	6	1,061,371	1,042,295
Plant, furniture and fixtures	6	207,476	254,244
TOTAL NON-CURRENT ASSETS		3,682,476	4,352,244
TOTAL ASSETS		4,927,944	5,345,886
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7A	90,548	112,210
Other payables	7B	16,056	21,692
Employee provisions	8A	141,169	99,580
TOTAL CURRENT LIABILITIES		247,773	233,482
NON-CURRENT LIABILITIES			
Employee provisions	8A	9,639	12,090
TOTAL NON-CURRENT LIABILITIES		9,639	12,090
TOTAL LIABILITIES		257,412	245,572
NET ASSETS		4,670,532	5,100,314
EQUITY			
Asset revaluation reserves	6	211,563	853,639
Other reserves	9A	24,000	96,000
Retained earnings		4,434,969	4,150,675
TOTAL EQUITY		4,670,532	5,100,314

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Retained Earnings	Assets Revaluation Reserve	Other Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2015	3,948,155	853,639	144,000	4,945,794
Profit for the year	154,520	-	-	154,520
Transfer from reserve - net	48,000	-	(48,000)	-
Balance at 31 December 2015	4,150,675	853,639	96,000	5,100,314
Profit for the year	212,294	-	-	212,294
Revaluation decrements for the year - net	-	(642,076)	-	(642,076)
Transfer from reserve - net	72,000	-	(72,000)	-
Balance at 31 December 2016	4,434,969	211,563	24,000	4,670,532

The accompanying notes form part of these financial statements.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	12B	13,176	5,642
Receipt from members		1,261,708	1,171,969
Receipt from investment properties		32,861	31,052
Interest and miscellaneous income		76,161	13,793
Cash used			
Payment to other reporting units/controlled entity(s)	12B	(94,541)	(96,884)
Payment to employees		(548,600)	(565,211)
Payment to suppliers		(528,097)	(372,493)
Net cash generated from operating activities	12A	<u>212,668</u>	<u>187,868</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of non-current assets		-	20,909
Cash used			
Purchase of non-current assets	6	<u>(26,486)</u>	<u>(60,689)</u>
Cash used in investing activities		<u>(26,486)</u>	<u>(39,780)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash used			
Repayment of bank borrowings		-	-
Cash used in financing activities		-	-
Net (decrease)/increase in cash held		186,182	148,088
Cash and cash equivalents at the beginning of the year		919,535	771,447
Cash and cash equivalents at the end of the year	5A	<u>1,105,717</u>	<u>919,535</u>

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

No recovery of wages activities occurred in the reporting period.

The accompanying notes form part of these financial statements

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The committee of management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

Nil

Key judgments

Available-for-sale investments

Nil

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

The Union has assessed the new and amended pronouncements applicable to future reporting periods and has determined that their effect on the Union is NIL.

1.5 Basis of consolidation

The financial statements have not been consolidated.

1.6 Investment in associates and joint arrangements

The Union does not have any investment in associates and joint venture.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.7 Business combinations

The Union does not have any business combinations to account for.

1.8 Acquisition of assets and or liabilities that do not constitute a business combination

No merger has taken place.

1.9 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.11 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.12 Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.13 Employee benefits

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

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

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

1.14 Leases

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Borrowing costs

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

1.16 Cash

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.17 Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.18 Financial assets

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

(i) *Fair value through profit or loss*

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) *Held-to-maturity investments*

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

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

ABN 31 367 577 278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.18 Financial assets (continued)

(iii) *Available-for-sale*

The Union is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Union but no such shares or notes are held by the Union.

(iv) *Loan and receivables*

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

(v) *Effective interest method*

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

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

(vi) *Impairment of financial assets*

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Union past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.18 Financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) *Derecognition of financial assets*

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

1.19 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

(i) *Fair value through profit or loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.19 Financial liabilities (continued)

(ii) *Other financial liabilities*

Other 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.

(iii) *Derecognition of financial liabilities*

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

1.20 Contingent liabilities and contingent assets

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

1.21 Inventories on hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

1.22 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations – land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets, excluding buildings and improvements, are written-off to their estimated residual values over their estimated useful life using the diminishing value method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.22 Land, buildings, plant and equipment (continued)

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

Class of Fixed Asset	Depreciation Rate
Furniture and equipment	4.5% - 50%
Motor vehicles	25%
Buildings and improvements	2.5%

Derecognition

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

1.23 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.24 Impairment for non-financial assets

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

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

1.25 Taxation

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.26 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 18A.

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

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

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

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

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.27 Accounts payable and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Union during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 1. Summary of Significant Accounting Policies (continued)

1.28 Going concern

The Union is not reliant on financial support of another reporting unit to continue on a going concern basis.

The Union provides no financial support to ensure another reporting unit can continue on a going concern basis.

Note 2. Events after the reporting period

There were no events that occurred after 31 December 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Note 3. Income

No income was received during the reporting period for capitation fees, levies, grants or donations or support from another reporting unit of the organisation.

	2016	2015
	\$	\$
Note 3A: Membership subscription		
Membership subscription	1,264,427	1,172,282
Total membership subscription	<u>1,264,427</u>	<u>1,172,282</u>
Note 3B: Capitation fees		
	<u>-</u>	<u>-</u>
Note 3C: Levies		
	<u>-</u>	<u>-</u>
Note 3D: Interest		
Deposits	11,394	12,888
Total Interest	<u>11,394</u>	<u>12,888</u>
Note 3E: Holiday home service recovery funds		
Properties:		
- Melros	10,680	8,832
- Dunsborough	22,181	22,220
Total holiday home service recovery funds	<u>32,861</u>	<u>31,052</u>
Note 3F: Grants or Donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 4: Expenses

During the reporting period no expenses were incurred as consideration for employers making payroll deductions of membership subscriptions, legal costs or penalties imposed on the Union under the RO Act with respect to its conduct.

	2016	2015
	\$	\$
Note 4A: Employee expenses		
Holders of office:		
- Wages and salaries	299,260	330,051
- Superannuation	36,845	39,396
- Leave and other entitlements	33,815	(22,031)
- Separation and redundancies	-	-
- Other employee expenses	3,700	5,400
Subtotal employee expenses holders of office	<u>373,620</u>	<u>352,816</u>
Employees other than office holders:		
- Wages and salaries	125,379	171,877
- Superannuation	11,233	15,657
- Leave and other entitlements	5,323	15,025
- Separation and redundancies	-	-
- Other employee expenses	68,815	-
Subtotal employee expenses employees other than office holders	<u>210,750</u>	<u>202,559</u>
Total employee expenses	<u>584,370</u>	<u>555,375</u>
Note 4B: Capitation fees		
United Firefighters Union of Australia	88,337	83,880
Total capitation fees	<u>88,337</u>	<u>83,880</u>
Note 4C: Affiliation fees		
Unions WA	9,106	8,617
WA Labor	8,770	8,340
Australian Council of Trade Union	6,204	4,197
Total affiliation fees	<u>24,080</u>	<u>21,154</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
WA Labor – Campaign Contribution	1,731	1,690
UnionsWA – May Day	400	388
Unions WA – Good Safe Secure Jobs	-	1,140
Fees/allowance – meeting & conferences	12,900	14,200
Meetings of members, committees etc. & conferences held by UFUWA	16,760	29,084
Conference accommodation & travel (other)	16,482	25,687
Office property expenses	38,964	32,907
Office expenses	58,457	39,871
Information communication technology	30,698	29,061
Office redevelopment expenses	2,149	916
Investment property expenses	29,283	33,610
Total administration expenses	<u>207,824</u>	<u>208,554</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	1,100
Donations:		
Total paid that were \$1,000 or less	2,711	3,078
Total paid that exceeded \$1,000	4,700	3,000
Total grants or donations	<u>7,411</u>	<u>7,178</u>
Note 4F: Legal costs		
Litigation	6,432	34,515
Other legal matters	5,025	2,014
Total legal costs	<u>11,457</u>	<u>36,529</u>
Note 4G: Other expenses		
Committee & delegate expenses (not include in item above)	20,651	15,461
Fringe benefit tax	11,791	13,083
Centennial Year 2016 expenses	109,339	16,704
Other	25,840	27,402
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>167,621</u>	<u>72,650</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 5: Current assets

The Union has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets.

The Union has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

	2016	2015
	\$	\$
Note 5A: Cash and cash equivalents		
Cash at bank	1,105,417	919,235
Cash on hand	300	300
Total cash and cash equivalents	<u>1,105,717</u>	<u>919,535</u>

Note 5B: Trade and other receivables

Receivables from:

- United Firefighters Union of Australia - Reimbursement for conferences, travel & accommodation	-	-
- Membership subscription	4,110	3,275
- UFU union dues	241	890
Total receivables	<u>4,351</u>	<u>4,165</u>
Less provision for doubtful debts	-	-
Total receivables - net	<u>4,351</u>	<u>4,165</u>
Other receivables:		
- Other trade receivables	2,533	-
Total other receivables	<u>2,533</u>	<u>-</u>
Total trade and other receivables	<u>6,884</u>	<u>4,165</u>

Note 5C: Other current assets

Prepayments	62,393	48,895
Deposits paid	1,000	7,321
Total other current assets	<u>63,393</u>	<u>56,216</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 6: Property, plant and equipment

	2016				2015			
	Cost \$	Revaluation Increment/ (Decrement) \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Revaluation Increment \$	Accumulated Depreciation \$	Net Book Value \$
Land and Buildings – at valuation								
Melros Place, Dawesville	165,154	256,152	(38,711)	382,595	165,154	331,152	(38,711)	457,595
104 Boronia Ridge, Walpole	55,369	90,797	(6,166)	140,000	55,369	48,797	(6,166)	98,000
6 Pelican Place, Dunsborough	412,846	228,988	(3,663)	638,171	412,846	218,988	(3,663)	628,171
21 View Street, North Perth	1,761,031	(364,374)	(143,794)	1,252,863	1,761,031	254,702	(143,794)	1,871,939
Total Land and Buildings – at valuation	2,394,400	211,563	(192,334)	2,413,629	2,394,400	853,639	(192,334)	3,055,705
Building Improvements – at valuation								
Melros Place, Dawesville	2,902	-	(497)	2,405	2,902	-	(497)	2,405
6 Pelican Place, Dunsborough	13,258	-	(1,429)	11,829	13,258	-	(1,429)	11,829
21 View Street, North Perth	1,077,864	-	(30,727)	1,047,137	1,058,668	-	(30,607)	1,028,061
Total Building Improvements – at valuation	1,094,024	-	(32,653)	1,061,371	1,074,828	-	(32,533)	1,042,295
Plant, Furniture and Fixtures								
Melros Place, Dawesville	34,156	-	(20,149)	14,007	32,351	-	(16,740)	15,611
6 Pelican Place, Dunsborough	18,093	-	(8,724)	9,369	18,037	-	(6,944)	11,093
21 View Street, North Perth	235,247	-	(114,087)	121,160	232,534	-	(85,603)	146,931
Motor vehicles	80,684	-	(38,281)	42,403	80,684	-	(24,147)	56,537
Computer equipment	36,233	-	(17,688)	18,545	35,105	-	(12,432)	22,673
Office equipment < \$500	6,260	-	(4,268)	1,992	5,314	-	(3,915)	1,399
Total Furniture and Fixtures	410,673	-	(203,197)	207,476	404,025	-	(149,781)	254,244
Total Property, Plant & Equipment	3,899,097	211,563	(428,184)	3,682,476	3,873,253	853,639	(374,648)	4,352,244

<i>Movements during the year</i>	2016				2015			
	<i>Land & Buildings – at valuation</i> \$	<i>Building Improvements – at valuation</i> \$	<i>Plant & Equipment</i> \$	<i>Total</i> \$	<i>Land & Buildings – at valuation</i> \$	<i>Building Improvements – at valuation</i> \$	<i>Plant & Equipment</i> \$	<i>Total</i> \$
Balance at the beginning of the year	3,055,705	1,042,295	254,244	4,352,244	3,055,705	1,042,295	269,914	4,367,914
Additions during the year	-	19,196	7,290	26,486	-	-	60,689	60,689
Revaluations decrement for the year	(642,076)	-	-	(642,076)	-	-	-	-
Disposals during the year - net	-	-	-	-	-	-	(17,846)	(17,846)
Written off during the year - net	-	-	(184)	(184)	-	-	-	-
Depreciation for the year	-	(120)	(53,874)	(53,994)	-	-	(58,513)	(58,513)
Balance at the end of the year	2,413,629	1,061,371	207,476	3,682,476	3,055,705	1,042,295	254,244	4,352,244

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 6: Property, plant and equipment (continued)

The revalued land and buildings consist of properties at 19 Melros Beach Road, Dawesville, Lot 104 Howe Court, Walpole, 6 Pelican Place, Dunsborough and 21 View Street, North Perth. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, the properties' fair values are based on valuations performed by independent valuers, accredited independent valuers.

Refer to Note 18 for detailed disclosures regarding the fair value measurement of the Union's land and buildings.

Note 6A: Investment property

Included in land and buildings are investment properties at 19 Melros Beach Road, Dawesville, Lot 104 Howe Court, Walpole, and 6 Pelican Place, Dunsborough.

The valuations were performed by accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment properties has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was \$32,861 (2015: \$31,052).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$29,283 (2015: \$33,610). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Union does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Note 7: Current liabilities

The Union has no payables or other financial liability to any other reporting unit of the organisation. The Union has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

	2016	2015
	\$	\$
Note 7A: Trade payables		
Trade creditors and accruals	90,548	112,210
Payables to other reporting units	-	-
Total trade payables	<u>90,548</u>	<u>112,210</u>

Settlement is usually made within 30 days.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 7B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	16,056	21,692
Total other payables	<u>16,056</u>	<u>21,692</u>
Total other payables are expected to be settled in:		
No more than 12 months	16,056	21,692
More than 12 months	-	-
Total other payables	<u>16,056</u>	<u>21,692</u>
Note 8: Provisions		
Note 8A: Employee provisions		
Office holders:		
- Annual leave	49,300	24,674
- Long service leave	62,866	53,678
- Separation and redundancies	-	-
- Other employee provisions	-	-
Subtotal employee provisions – office holders	<u>112,166</u>	<u>78,352</u>
Employees other than office holders:		
- Annual leave	16,309	14,703
- Long service leave	22,333	18,615
- Separation and redundancies	-	-
- Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	<u>38,642</u>	<u>33,318</u>
Total employee provisions	<u>150,808</u>	<u>111,670</u>
Current	141,169	99,580
Non current	9,639	12,090
Total employee provisions	<u>150,808</u>	<u>111,670</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 9: Equity		
Note 9A: Other reserves		
Provision for campaigns	24,000	12,000
Provision for centennial year 2016	-	84,000
Total other reserves	<u>24,000</u>	<u>96,000</u>

Note 9B: Other specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets	-	-
	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Note 10: Consideration to employers for payroll deductions

There are no expenses incurred as consideration to employers making payroll deductions of membership subscriptions.

Note 11: Segment information

The Union operates in one business and one geographic segment. Hence no separate segment information has been provided.

Note 12: Cash flow

Note 12A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	1,105,717	919,535
Balance sheet	1,105,717	919,535
Difference	<u>-</u>	<u>-</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 12A: Cash flow reconciliation (continued)		
Reconciliation of profit/(deficit) to net cash from operating activities:		
Net profit for the year	212,294	154,520
Adjustments for non-cash items:		
- Profit on disposal of non-current assets	-	(3,063)
- Written off of non-current assets	6 184	-
- Depreciation of non-current assets	6 53,994	58,513
Changes in assets/liabilities		
- (Increase)/decrease in trade and other receivables	(2,719)	(313)
- (Increase)/decrease in inventories	(55,748)	1,698
- (Increase)/decrease in other current assets	(7,177)	(25,878)
- Increase/(decrease) in trade payables	(21,662)	(586)
- Increase/(decrease) in other payables	(5,636)	9,984
- Increase/(decrease) in employee provisions	39,138	(7,007)
Net cash generated from operating activities	<u>212,668</u>	<u>187,868</u>

Note 12B: Cash flow information

Cash inflows

United Firefighters Union of Australia	13,176	5,642
Total cash inflows	<u>13,176</u>	<u>5,642</u>

Cash outflows

United Firefighters Union of Australia	94,541	96,884
Total cash outflows	<u>94,541</u>	<u>96,884</u>

Note 13: Contingent liabilities, assets and commitments

Note 13A: Commitments and contingencies

Operating lease commitments – as lessee

The Union has no operating lease commitments for the year ended 31 December 2016.

Operating lease commitments – as lessor

The Union has no operating lease commitments for the year ended 31 December 2016.

Capital commitments

As at 31 December 2016 the Union had not committed to any capital expenditure.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 13: Contingent liabilities, assets and commitments (continued)

Finance lease commitments

The Union has no finance lease commitments for the year ended 31 December 2016

Other contingent assets and liabilities

The Union has no contingent assets and liabilities for the year ended 31 December 2016

Note 14: Related party disclosures

Note 14A: Related party transactions for the reporting period

Related parties and nature of their relationship

United Firefighters Union of Australia West Australian Branch (National Union)

- This is West Australian Branch of a federally regulated union with the same members and officers as the state union.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2016	2015
	\$	\$
Revenue received from the following:		
- Frank Martinelli		
Service Recovery Fund for Holiday Home (Melros) 1 week	-	400
Service Recovery Fund for Holiday Home (Dunsborough) 1 week	470	-
Purchase of merchandise	142	-
Use of Personnel Carrier	100	-
Centennial Ball Tickets – 2	360	-
- Kevin Jolly		
Service Recovery Fund for Holiday Home (Dunsborough) 1 week	480	-
Purchase of merchandise	420	-
Reimbursements to Union	839	-
Centennial Ball Tickets – 8	1,440	-
- Related Party of Kevin Jolly		
Centennial Ball Tickets – 7	1,260	-
- Adam Steenson		
Purchase of merchandise	31	-
Centennial Ball Tickets – 1	180	-
- Lea Anderson		
Service Recovery Fund for Holiday Home (Melros) 3 nights	240	-
Purchase of merchandise	80	-
Reimbursements to Union	515	-
Centennial Ball Tickets – 6	1,080	-
- Brad Stockley		
Service Recovery Fund for Holiday Home (Melros) 3 nights	240	235
Purchase of merchandise	70	-

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 14A: Related party transactions for the reporting period (continued)		
- Steve Matthews		
Purchase of merchandise	180	-
Centennial Ball Tickets – 2	360	-
- Leigh Bishop		
Service Recovery Fund for Holiday Home (Dunsborough) 2 weeks	-	940
Purchase of Merchandise	-	7
Centennial Ball Tickets – 2	360	-
- Scott Gamble		
Service Recovery Fund for Holiday Home (Dunsborough) 2 weeks	-	940
Service Recovery Fund for Holiday Home (Melros) 1 week	320	-
Purchase of Merchandise	727	-
Centennial Ball Tickets – 10	1,800	-
- Dean Fanderlinden		
Service Recovery Fund for Holiday Home (Dunsborough) 1 week	-	470
Purchase of Merchandise	80	-
Use of Personnel Carrier 2 days	200	-
- Kerry Bailey		
Purchase of Merchandise	58	88
Centennial Ball Tickets – 2	360	-
- Lexie Bowring		
Purchase of Merchandise	965	-
Centennial Ball Tickets – 6	1,080	-
- Mick DiLallo		
Purchase of Merchandise	70	-
Use of Personnel Carrier	100	-
- Clem Chan		
Purchase of Merchandise	125	-
Centennial Ball Tickets – 1	180	-
- Mick Bartlett		
Purchase of Merchandise	16	-
Centennial Ball Tickets – 2	360	-
- Marty Coles		
Purchase of Merchandise	25	-
- Lou Parker		
Purchase of Merchandise	55	14
Centennial Ball Tickets – 2	360	-
- Darryl Browning		
Centennial Ball Tickets – 10	1,800	-
- United Firefighters Union of Australia South Australian Branch		
Centennial Ball Tickets – 9	1,620	-
- United Firefighters Union of Australia (National Office)		
Centennial Ball Tickets – 33	5,940	-
	25,088	3,094

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 14A: Related party transactions for the reporting period (continued)		
Expenses paid to the following:		
- Ben Borrett (Me Top Dog Pty Ltd)		
Purchase of retail products	-	85
	-	85

Terms and conditions of transactions with related parties

In the case of Holiday Home use, the related parties applied for use of the Holiday Home, as all members of the Union may, as a benefit of Membership. The terms for use by the Union's members are equivalent between the members. Third parties who are not members of the Union are charged a premium of approximately 25% on top of the members' service recovery funds terms.

Other sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the United Firefighters Union of Australia West Australian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 14B: Key management personnel remuneration for the reporting period

	2016	2015
	\$	\$
Short-term employee benefits:		
- Salary (including annual leave taken)	258,939	305,570
- Annual leave accrued	45,555	23,517
- Remuneration for attending meeting & conferences & travel allowance	3,400	19,600
- Committee honorariums	-	4,517
- Meeting expenses	-	-
Total short-term employee benefits	307,894	353,204
Post-employment benefits:		
- Superannuation	33,014	37,189
Total post-employment benefits	33,014	37,189
Other long-term benefits:		
- Long service leave	57,203	53,020
Total long-term benefits	57,203	53,020

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 14C: Transactions with key management personnel and their close family members		
Loan to/from key management personnel	-	-
Other transactions with key management personnel		
- Kevin Jolly		
Service Recovery Fund for Holiday Home (Dunsborough)	480	-
Purchase of merchandise	420	-
Reimbursements to Union	839	-
Centennial Ball Tickets – 8	1,440	-
- Related Party of Kevin Jolly		
Centennial Ball Tickets – 7	1,260	-
- Lea Anderson – Reimbursements to Union		
Service Recovery Fund for Holiday Home (Melros)	240	-
Purchase of merchandise	80	-
Reimbursements to Union	515	-
Centennial Ball Tickets – 6	1,080	-
	<hr/>	<hr/>
	6,354	-
	<hr/>	<hr/>

Note 15: Remuneration of auditors

Value of the services provided

- Financial statement audit services	8,274	8,622
- Other services & membership audit	7,603	8,593
	<hr/>	<hr/>
Total remuneration of auditors	15,877	17,215
	<hr/>	<hr/>

Other services include preparation of financial statements, updated depreciation schedule, end of year reconciliations and membership audit.

Note 16: Trust account (Annual Dinner Funds)

Funds held at P & N Bank (Account no. 0330-5766) as at balance sheet date over which the Union has control but are not included in the financial statements is as follow:

Profit and Loss Statement

Income

Subscriptions	96,962	93,360
Annual dinner fees	12,377	12,713
Interest received	61	66
	<hr/>	<hr/>
Total income	109,400	106,139
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 16: Trust account (Annual Dinner Funds) - continued		
Profit and Loss Statement		
Expenses		
Send offs	2,800	2,600
Annual dinner expenses	71,615	78,571
Bank fees	-	6
Total expenses	<u>74,415</u>	<u>81,177</u>
Net surplus for the year	<u>34,985</u>	<u>24,962</u>
Balance Sheet		
Assets		
Cash at bank	157,687	123,121
Total assets	<u>157,687</u>	<u>123,121</u>
Liabilities		
Other payables	2	421
Total liabilities	<u>2</u>	<u>421</u>
Net assets	<u>157,685</u>	<u>122,700</u>
Equity		
Retained earnings at beginning of the year	122,700	97,738
Net surplus for the year	34,985	24,962
Retained earnings at end of the year	<u>157,685</u>	<u>122,700</u>

The 'Annual Dinner Funds' Account is a social club. Members of the Union elect to join and the funds are used solely for social functions for members and are not part of the Union's financial statements.

Note 17: Financial instruments

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

Note 17A: Categories of financial instruments

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Cash and cash equivalents	1,105,717	919,535
Trade and other receivables	6,884	4,165
Total financial assets	<u>1,112,601</u>	<u>923,700</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Note 17A: Categories of financial instruments (continued)		
<i>Financial liabilities</i>		
Trade payables	90,548	112,210
Other payables	16,056	21,692
<i>Total financial liabilities</i>	<u>106,604</u>	<u>133,902</u>

Note 17B: Net income and expense from financial assets

Cash and cash equivalents		
Interest revenue	11,394	12,888
	<u>11,394</u>	<u>12,888</u>

The net income/expense from financial assets not at fair value from profit and loss is \$11,394 (2015: \$12,888).

Note 17C: Net income and expense from financial liabilities

The Union had no net income and expense from financial liabilities during the year ended 31 December 2016.

The net income/expense from financial liabilities not at fair value from profit and loss is Nil (2015: \$Nil).

Note 17D: Credit risk

The Union is exposed to credit risk on account of (a) default by individual members to pay their maximum membership fee; and (b) default by users to pay the service recovery funds charges.

The Union's maximum exposure to credit risk is the carrying amount of trade and other receivable at reporting date.

The credit risk is managed by ensuring that (a) membership dues are deducted by the employers as part of the payroll processing; and (b) service recovery funds are invoiced in advance prior to occupancy.

The Union does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2016	2016	2015	2015
	\$	\$	\$	\$
Trade and other receivables	6,884	-	4,165	-
	<u>6,884</u>	<u>-</u>	<u>4,165</u>	<u>-</u>

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 17D: Credit risk (continued)

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

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

Note 17E: Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

The Union is not exposed to any significant liquidity risk and is therefore not actively managing its liquidity risk.

Contractual maturities for financial liabilities 2016

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Trade payables	90,548	-	-	-	90,548
Other payables	16,056	-	-	-	16,056
	106,604	-	-	-	106,604

Contractual maturities for financial liabilities 2015

Trade payables	112,210	-	-	-	112,210
Other payables	21,692	-	-	-	21,692
	133,902	-	-	-	133,902

Note 17F: Market risk

Interest rate risk

Interest rate risk is the risk that the fair values and cash-flows of Union's financial instruments will be affected by changes in the market interest rates.

The management of the Union believes that the risk of interest rate movement would not have material impact on Union's operations.

Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 17F: Market risk (continued)

These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit	Equity
	\$	\$
Year ended 31 December 2016		
+/-1% in interest rates	9,000	9,000
Year ended 31 December 2015		
+/-1% in interest rates	6,444	6,444

No sensitivity analysis has been performed on foreign exchange risk as the Union has no material exposures to currency risk.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Note 18: Fair value measurements

Note 18A: Financial assets and liabilities

Management of the Union assessed that cash and cash equivalents, trade receivables, trade payables, accruals and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Union's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2016 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Union based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2016 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	Carrying amount 2016 \$	Fair value 2016 \$	Carrying amount 2015 \$	Fair value 2015 \$
Financial assets				
Cash and cash equivalents	1,105,717	1,105,717	919,535	919,535
Trade and other receivables	6,884	6,884	4,165	4,165
Total financial assets	1,126,601	1,126,601	923,700	923,700
Financial liabilities				
Trade payables	90,548	90,548	112,210	112,210
Other payables	16,056	16,056	21,692	21,692
Total financial liabilities	106,604	106,604	133,902	133,902

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 18B: Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2016

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Land and buildings				
Office property at North Perth	January 2017	-	2,300,000	-
Investment property				
- 6 Pelican Place, Dunsborough	7/02/17	-	650,000	-
- 19 Melros Beach Road, Dawesville	2/02/17	-	385,000	-
- 104 Howe Court, Walpole	11/01/17	-	140,000	-
Total		-	3,475,000	-
Liabilities measured at fair value				
None	N/A	-	-	-
Total		-	-	-

Fair value hierarchy – 31 December 2015

Assets measured at fair value				
Land and buildings				
Office property at North Perth	9/02/15	-	2,900,000	-
Investment property				
- 6 Pelican Place, Dunsborough	23/10/14	-	640,000	-
- 19 Melros Beach Road, Dawesville	22/08/14	-	460,000	-
- 104 Howe Court, Walpole	5/08/14	-	98,000	-
Total		-	4,098,000	-
Liabilities measured at fair value				
None	N/A	-	-	-
		-	-	-

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2015: no transfers).

Note 18C: Description of Significant Unobservable Inputs

There were no significant unobservable inputs for Level 3 assets and liabilities at fair value (i.e. investment property, financial assets / liabilities) noted during the reporting period.

Note 19: Business combinations

The Union did not enter into any business combinations during the financial year ended 31 December 2016.

UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Note 20: Administration of financial affairs by a third party

The union did not engage a third party to administer their financial affairs during the year ended 31 December 2016.

Note 21: Comparative figures

Certain comparative figures have been restated to conform with current year's presentation.

Note 22: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).



Anderson Munro & Wyllie

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

Report on the Financial Report

Opinion

We have audited the accompanying financial report of United Firefighters Union of Australia West Australian Branch which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Auditors' Opinion

In my opinion:

- (1) The general purpose financial report of the United Firefighters Union of Australia West Australian Branch is in accordance with:
 - a. the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) presenting fairly of the Union's financial position as at 31 December 2016 and of its performance for the year ended on that date;
 - (ii) complying with applicable Australian Accounting Standards (including Australian Accounting Interpretations); and
 - b. the financial statements also complies with International Financial Reporting Standards as disclosed in Note 1.
- (2) The Union has kept satisfactory accounting records for the financial year including records of:
 - a. the sources and nature of the Union's income, including membership subscriptions and other income from members; and
 - b. the nature of and reasons for the Union's expenditure.
- (3) All the information and explanations that officers or employees of the Union were required to provide have been provided;
- (4) There was no deficiency, failure or shortcoming in any matter referred to in (1) to (3) above; and
- (5) Management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate.

Basis for opinion

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 of material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility* section of our report. We are independent of the Union in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



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

Other information

The committee of the Union is responsible for the other information. The other information comprises the information in the Union's annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

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

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

Committee's responsibility for the financial report

The committee of the Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Fair Work (Registered Organisations) Act 2009* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1.1, the committee also state, in accordance with Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*.

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

Auditor's Responsibility

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

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

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 entity'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 entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the committee' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Union audit. We remain solely responsible for our audit opinion.

We communicate with the committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the committee, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Anderson Munro + Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

Martin Shone

MARTIN SHONE

Principal & Registered Company Auditor

Dated at Perth, Western Australia this *16th* day of February 2017



Anderson Munro & Wyllie

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UNITED FIREFIGHTERS UNION OF AUSTRALIA WEST AUSTRALIAN BRANCH

STATEMENT OF RECOVERY OF WAGES

Based on representations made to us by the United Firefighters Union of Australia West Australian Branch and our work undertaken for the year ended 31 December 2016, it appears that there was no recovery of wages activities occurred in the reporting period.

Anderson Munro & Wyllie

ANDERSON MUNRO & WYLLIE

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

MSh

MARTIN SHONE

Principal & Registered Company Auditor

Dated at Perth, Western Australia this *16th* day of February 2017



25 January 2017

Ms Lea Anderson
Secretary
United Firefighters' Union of Australia
West Australian Branch
By Email: lea@ufuofwa.net.au

Dear Ms Anderson,

**Re: Lodgement of Financial Report - [FR2016/351]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the United Firefighters' Union of Australia-West Australian Branch (the reporting unit) ended on 31 December 2016.

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

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017.

The new Registered Organisations Commission

The Registered Organisations Commission (the ROC) will be established in 2017.

Statements of loans, grants and donation and financial reports must be lodged with the Fair Work Commission until the ROC is established. Once the ROC is established, they must be lodged with the ROC.

It is not yet known when in 2017 the ROC will be established. The Fair Work Commission will be providing information on the transition to the ROC through its subscription service and its website. For details about the subscription service, go to [Subscriptions](#) and subscribe to the Registered organisations information service.

Where to lodge Statements of Loans Grants and Donations and Financial Reports

	Before the ROC is established	From establishment of the ROC
Where to lodge	Lodge your statement of loans grants donations and your financial report with the Fair Work Commission	Lodge your statement of loans grants donations and your financial report and with the ROC
How to lodge	The easiest way to lodge is via email: orgs@fwc.gov.au	Lodgement methods are not yet known

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

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

Our focus this year: timelines and disclosure of loans, grants and donations

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

Timelines

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

As stated above, section 237 requires the loans, grants and donations statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2017. A sample statement of loans, grants or donations is available at [sample documents](#).

Fact sheets, guidance notes and model statements

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

Civil penalties may apply

It should be noted that s.268 and s.237 are civil penalty provisions. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

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

Contact

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

Yours sincerely,

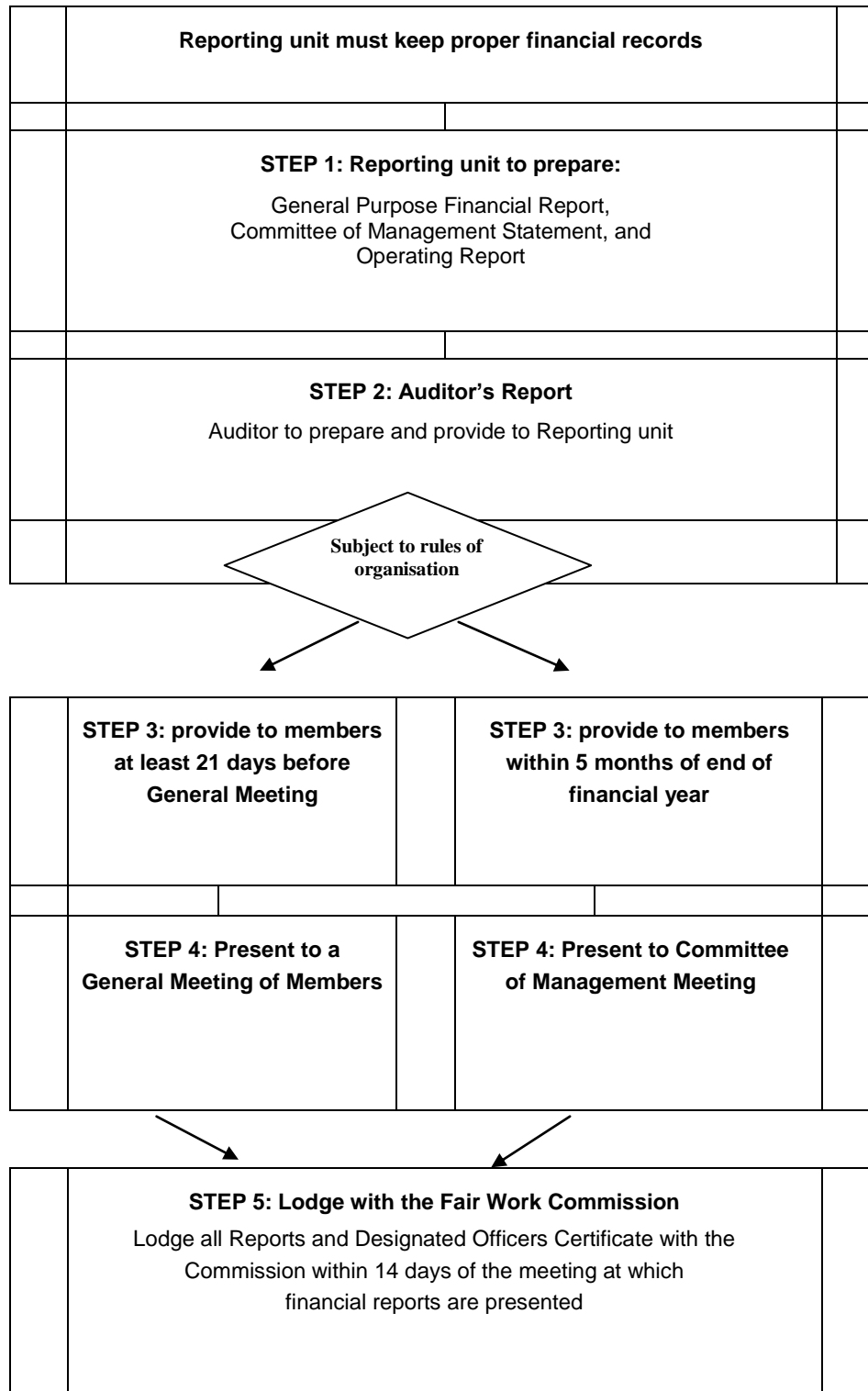


Marianne Kay
Adviser
Regulatory Compliance Branch

Financial reporting timelines

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

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



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

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

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

The Loans, Grants & Donations Statement

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







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

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

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

Common misconceptions

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

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

Grants & Donations within the Financial Report

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

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

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

Note 4E: Grants or donations*

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

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

Implications for filing the Financial Report

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

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

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

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

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

Further information

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