

**UFUA 2008
National
Review**

CONTENTS

| | |
|--|-----------|
| 1. Introduction and Summary | 3 |
| 2. Terms of reference..... | 5 |
| 3. Conduct of review and structure of report | 6 |
| 4. The context..... | 7 |
| 4.1. Industrial context | 7 |
| 4.2. Climate change..... | 11 |
| 4.3. Terrorism and CBR..... | 12 |
| 5. The state of the national office..... | 13 |
| 5.1. Union internal structure | 15 |
| 5.2. The future of the UFU: federated or national? | 18 |
| 6. Elements of a new national office..... | 21 |
| 6.1. Functions and role | 21 |
| 6.2. National meetings..... | 26 |
| 6.2.1. NCOM..... | 26 |
| 6.2.2. National Executive | 27 |
| 6.2.3. Industrial Officers..... | 28 |
| 6.3. The new national office | 29 |
| 6.3.1. Terms of engagement of national officers | 29 |
| 6.3.2. Options for the new national office..... | 30 |
| 6.4. Location of new national office | 35 |
| 6.5. Status and resources of branches | 36 |
| 6.6. Level of contributions to national office..... | 41 |
| 6.7. Voting rights | 42 |
| 6.7.1. Non-career firefighters..... | 44 |
| 6.8. Private Sector firefighters..... | 45 |
| 7. Finance and management | 47 |
| 7.1. Audits..... | 47 |
| 7.2. Ongoing responsibility for management and finances..... | 47 |
| 7.3. Expenditure | 48 |

1. Introduction and Summary

This review into the functioning of the national office (**NO**) and of the national union was commissioned by the UFUA National Executive (**NE**).

The review has found many positive aspects of the NO: with limited resources, significant accomplishments have been made. And although the terms of reference directed the review to inquire into financial procedures, it was apparent that audits have been conducted and no irregularities found. However, this review also found some significant problems in the functioning of the national office and its relationship to the union's branches. A number of the complaints made to the review have been found to have substance. In particular, over and above any minimum legal requirement, there could be more regular transmission to branches and NE of financial information, minutes and advice about the activities of the NO. There is also a lack of clear shared strategic direction and shared understanding about the role of the NO and the national union as a whole.

This review finds that the primary causes of this state of affairs are (a) a lack of procedures concerning finances and management, but more importantly (b) a lack of 'critical mass' or 'organisational inertia' in the NO. To date, the union has only half-committed to a functioning national office, and as a result, there are insufficient resources available to ensure that the NO functions properly, accountably and in the interests of the union. Unless there is a renewed commitment to the NO with an informed NE to supervise it, the current problems will continue. This will involve more funds for the NO, more personnel and clear direction from National Committee of Management (**NCOM**) as to the NO's function.

However, the current NCOM and NE is in an enviable position: it has a 'clean slate' and the ability to design the kind of NO it wants. And this comes at a critical time, when the country's industrial laws are being rewritten and the fate of state industrial systems is being debated. Because of the uncertainty surrounding current industrial laws, but considering their potentially huge impact, it is suggested that any significant overhaul of the union's rules wait until the legislation is introduced and passed.

Without necessarily granting the NO more powers, a well-resourced NO of at least three full-time personnel should be established. A number of options for the structures

of a new NO are suggested in this report. The NO should be understood as a resource, advice and support centre for branches, but one that will provide strategy, policy and campaign options for the NCOM and the NE. In addition, the NO should be tasked with guiding the transition to the new IR environment. Once the dust has settled in 2-3 years time, the NO ought prepare any new rules reflecting the relationship between national and state branches appropriate to the new environment.

Although no significant rules overhaul is suggested, the review does recommend that the smaller ACT and Aviation branches consider whether merging with a larger branch or with each other is in their interests. Any such merger ought proceed consensually, but this review finds that the ACT and Aviation members could be serviced at least as well, if not better, by a different allocation of this small national union's scarce resources.

The voting and representative structure of the union is discussed in some detail. The differing positions within the union are each considered to have merit. Whilst ultimately no change is recommended, some options are set out for consideration.

The review contains 30 recommendations, many of which are considered essential. If the National Executive adopts some or all of these recommendations, work will need to be done prior to the 2008 NCOM to prepare motions, budgets, plans and any necessary rule changes.

2. Terms of reference

The NE motion commencing this review is as follows:

The National Executive recognises that there are a number of external factors that will impact on the union and its members, including changing industrial laws and a greater degree of cooperation amongst employers.

The National Executive also recognises that the direction, structures and resources of the union at a national level have not been reviewed for some time.

Accordingly, the National Executive authorises and directs the National Secretary to engage a consultant to review:

- (i) The structure and role of the Union, including the relationships between branches/state based unions and between branches/state based unions and the National Office, as well as the systems of governance in place in the union.*
- (ii) The strategic direction of the National Office including any support, coordination, political and campaigning functions that the National Office does or could undertake.*
- (iii) The governance of the National Office's finances.*
- (iv) The allocation of resources within the National Office.*

All branches and the National Office are to be consulted during the review. In addition, all branches and the National Office are entitled to make submissions to the review, either orally or in writing.

3. Conduct of review and structure of report

In conducting this review, each branch (including the NO) was visited for several hours and the terms of reference discussed. Written and oral submissions were also invited from branches. The auditors were also consulted, as was the President of the ACTU.

Unfortunately, the Women's Network was not involved in the review. As such, the review does not contain any recommendations in respect of them. However, it is presumed that the network will continue and be supported by the union, and as such that any new national structure ensure that this is reflected in the tasks allocated to the national office.

This review contains a number of recommendations as well as a number of options for consideration by the union. The recommendations are of three kinds:

Essential - These recommendations, marked with red highlighting, are considered essential and, after having discussed all options and obtained branch feedback, ought be adopted by NCOM at the next available opportunity.

Important - These recommendations, highlighted yellow, ought be implemented if agreement can be reached. They will help address the problems identified in this report.

For consideration - These recommendations, marked green, are put forward for discussion but are not considered essential for addressing the problems identified by the review.

Although the review covers a number of legal issues and potential rule changes, the NO should obtain legal advice and/or drafting assistance before proceeding with rules changes.

4. The context

4.1. Industrial context

Historically, firefighters have formed unions on a state based level (the exception being aviation firefighters who work at various sites across the country). The creation of the national union is a relatively recent phenomenon. Since its inception in 1991, the union has been located in SA and in Victoria, and has gone from having a full-time secretary from 1991- 1997 to one who is paid a part-time honorarium. It has gone from having no industrial staff to a full-time senior industrial officer back to no staff at all. The review was informed that in 1997, when Paul Caica moved to being a part-time secretary, funding to the national office was cut by half. This is likely to have precipitated a situation recalled by a number of branches where the previous National Executive Officer, Leigh Hubbard, allegedly warned that the NO would be 'broke' in several years if the situation were not reviewed. Indeed, many of the NO's problems stem from the drastic funding cuts of 1997/1998. Like the industrial coverage of the union's members, which remains a mixture of federal and state-based instruments, the union's entry into the national sphere has been halting and uneven.

Following WorkChoices, several branches were required to consider the prospect of moving to the federal industrial relations sphere. For the first time in Australian history, there existed industrial legislation that was based on the corporations power (s51(xx)) of the Commonwealth Constitution, not the conciliation and arbitration power (s51(xxxv)). Federal IR law now applied to constitutionally defined corporations, including 'trading corporations'. 'Trading corporations' has been defined by the courts to include corporations that exist primarily for non-trading purposes where those corporations engage in some trading. (On this basis, the Federal Court found some time ago that the metropolitan fire brigade in Victoria (the MFESB) was a trading corporation.¹) Where the fire and emergency service was conducted by a statutory authority, therefore, WorkChoices posed the risk that if that authority was a 'trading corporation', the federal system would apply.

¹ See *United Firefighters' Union of Australia & Ors v Metropolitan Fire and Emergency Services Board* [1998] FCA 551

Some services (such as Tasmania) responded to this threat by having employees transferred to direct employment by the State Government, as opposed to being employed by a corporation, moving them out of the reach of the federal sphere. In Western Australia, there seems to be unstated agreement that the employer was not ‘trading’, and thus in the absence of any determination otherwise, they remain in the State system. Other branches did not undergo any change: NSW, for example, remained in the state system with direct employment by the state government; Victoria remains in the federal system, the Victorian government having referred its IR powers to the federal government 15 years ago. As a result there is a mixture, set out in the table below, of the jurisdictions within which branches currently operate.

| Branch | State IR system | Fed System |
|---------------|------------------------|--|
| NSW | ✓ | (Possibly a dispute finding, but not in Federal system.) |
| VIC | | ✓ |
| Qld | ✓ | |
| WA | ✓ | (Previously in Federal system.) |
| SA | ✓ | (Previously in Federal system.) |
| Tas | ✓ | (Previously in Federal system.) |
| ACT | | ✓ |
| Aviation | | ✓ |

The Labor government intends to rewrite the country’s industrial relations legislation. Labor’s ‘Forward with Fairness: Policy Implementation Plan’ notes that the ‘High Court has confirmed that the Federal Government has expanded powers to make laws about terms and conditions of employment. It is no longer necessary to use the practices of last century to make awards and Labor does not intend to do so.’² This does not imply an end to the state systems: indeed, the PIP was deliberately vague on this point. However, it is consistent with a desire on the new federal Government’s part to move towards a single national system, and at least one branch reported that their state government was keen to wash its hands of their state IR system, as Victoria has done.

² Rudd, Kevin and Gillard, Julia *Forward with Fairness: Policy Implementation Plan*, 28 August 2007, page 17. Document available at http://www.alp.org.au/download/070828_dp_forward_with_fairness___policy_implementation_plan.pdf

It may be that in the forthcoming stoushes surrounding the new IR legislation that some states retain their own separate industrial relations systems within which state based-unions can continue to exist and have wages and condition determined. However, it must be said that equally as likely, if not more so, is that several states will obtain concessions from the federal government and thereafter fall in line, leaving some states - NSW being the obvious example - holding out against the tide. It is easy to imagine a hitherto staunch state government then giving in and entering the federal system.

What this new system looks like is still being determined. Many significant questions are currently being debated: what will happen to state registered unions and their assets?; will states refer powers, or will the corporations power be used?; how will state awards and agreements 'transition' to the federal sphere?; will state tribunals be granted any ongoing role?; will employees of state government's retain separate systems of industrial regulation?

Also, there are significant developments *currently* taking place that will impact on unions like the UFUA: pursuant to legislation already passed, a significant process of award stripping ('modernisation' is the official term) is already taking place. Key questions being asked include whether the various existing federal awards in an industry ought be reduced to one award, and indeed how an 'industry' ought be defined. This is happening now, and is of prime concern to the UFUA: an outcome of one award for the whole of the 'emergency services' industry, for example, or a firefighting award that strips entitlements enjoyed in particular services, must be avoided.

It is certainly foolish to try to predict the future. However, the weight of opinion appears to be that a truly national system is emerging, and that in any event there will be a swathe of new legislation and regulation for state and federal unions to digest. UFUA and state based firefighting unions certainly may have *external* challenges: the new system may not guarantee any particular union sole coverage over an industry, and the role of individual contracts and non-union agreements may increase. *Internally*, the challenges may be even greater: not only may state based unions face renewed questions about their legal status and how they are organised, but if the new system does begin a true process of nationalising terms and conditions, a coordinated approach will be critical to ensure no loss of entitlements and/or make significant

decisions about how best to regulate the terms and conditions of employment of the firefighting industry.

Much of this will be defensive and reactive: although there may be parts of the agenda that can be predicted in advance, the devil will be in the detail, and the challenge will be being able to respond to it quickly and properly. Though there may be opportunities, there are most likely to be threats. For although the legislation is not yet known, the Government's policy foreshadows some areas of concern:

- Individual contracts - the PIP expressly foreshadows that awards and agreements with both be required to contain 'flexibility clauses' that allow individual employees to contract out of the terms of the award or agreement, threatening provisions such as rosters and spans of hours.
- No Award coverage for employees earning over \$100,000 - this poses a significant problem for the firefighting industry in those many areas where award coverage extends to senior ranks.
- Non-union agreements - there will be a severe restriction on the rights of unions to intervene in cases where the employer seeks a non-union agreement with its workforce.
- Content of agreements - there is as yet no commitment that the 'pertaining to the employment relationship' or 'prohibited matters' restrictions will be removed.
- The role of arbitration - it is not yet clear how the role of arbitration, especially in essential services, will function.

It is difficult to see anywhere other than the National Office of the UFUA being the place where the legislation and its impacts on the firefighters and their organizations is considered in depth. Legal advice about the new laws will continue to be necessary, to be sure. However, the beginning of the thinking about how best to position the UFUA in the new environment ought come from within the union itself. It will also be more efficient for the union to commission specific advice about particular issues than 'general' wide-ranging legal advice.

The review has found little attention within the UFUA being devoted to the question of the transition to the new IR environment, including to the current issue of award modernisation. In many ways, this is perfectly understandable: state branches/unions are incredibly active 'on the ground' and many have current disputes occupying their time. However, of great concern is that the review disclosed a lack of resources at the national level available for or being dedicated to this task. This appears partly a function of the current staffing situation the national office finds itself in. It also in part reflects a lack of clarity about the role of the national union. The National Secretary is certainly aware of the issue and has been participating in forums such as the ACTU to keep abreast of it. However, it is suggested that there are insufficient resources available to properly address this potential risk to the union should things move quickly on the IR front. It cannot be stressed enough that the potential risks for employees in the firefighting industry and their union are significant.

4.2. Climate change

Although it was seldom mentioned in discussions held throughout the review, the impact of climate change in Australia stands to greatly affect the work of current and future firefighters over the next 10-40 years. Research commissioned by the CSIRO, Climate institute and the Bushfire Council suggests an enormous increase in levels and frequency of fire risk, and of the severity of fire events:

Of most concern to fire fighters are days classified as having very high or extreme fire danger. On such days, fires start and spread quickly and are very intense. The extreme fire danger rating indicates that fires become uncontrollable very quickly and are all but impossible to put out until weather conditions change. The number of very high and extreme fire weather days is projected to increase in all scenarios. If the rate of global warming is low, the number of extreme days increases 5-25% by 2020 and 10-50% by 2050. If the rate of global warming is high, the number of extreme days rises 15-65% by 2020 and 100-300% (double to quadruple) by 2050.³

A firefighter's job in 2050, or even 2020, may be much more intense and dangerous than it is today. Not only does this suggest that firefighters could be taking a leading role in campaigning against climate change, but it points to a potential national threat to wages and conditions. As the risk of fire and catastrophic events grows enormously, this will require either more firefighters, or the creation of greater reserve armies of firefighters. The tendency of governments when faced with 'emergencies' is to suspend

³ See page 3, <http://www.climateinstitute.org.au/images/stories/bushfire/nationalbriefing.pdf>

the usual rights and entitlements of citizens, and the industrial sphere is no exception. As the recent US experience of disasters shows, often the first things to be suspended are the local labor contracts. In any event, it is not difficult imagine governments here in Australia being faced with a dilemma over how to deal with rising fire and rescue incidents, and coming to the view that the only 'affordable' path was to encourage more part-time, casual or labour-hire firefighters at the expense of current wages and conditions. Conversely, the NO, through the NS, has been successful in getting the ACTU to adopt a policy calling on the new Government to conduct a national review of fire services to check whether there are sufficient staff and resources available to meet the consequences of climate change. If the union were now able to get the Government to act on this then drive such a review, this could have enormous benefits for the industry and the union's members. This is a prime example of a golden opportunity to make gains, but one which requires national resources to do so.

4.3. Terrorism and CBR

As every firefighter knows, their working lives are significantly different as result of terrorism and CBR. Amongst other things, this has brought with it a restructuring of firefighters' work as well as greater federal intervention into and funding of fire services. A view expressed by many branches was that this trend was likely to continue.

5. The state of the national office

All branches expressed ongoing support for a national union in some form. However, this review has found an almost universal view amongst branches that the current national office is not 'working' to its full potential.

Currently, the NO has no staff dedicated only to the NO, has no separate premises of its own (other than space in the Victorian Branch) and exists almost solely by virtue of the ongoing activity of the NS (who is also the Victorian Branch Secretary) and the staff of the Victorian Branch. The NS receives a part-time honorarium.

A substantial amount has been done well in the NO, especially given that the NS is effectively only engaged part-time. In recent times, this assistance has included:

- Provision of assistance to the ACT in negotiating a common-law agreement;
- Provision of assistance to WA in a significant dispute over wages and conditions;
- Development of a national wages comparison tool;
- Assistance to the Tasmanian Branch in negotiations with Government;
- Assistance with SA Branch's transition from the Federal to the State system as a result of WorkChoices.

The NO has also taken steps to forge strong international ties, with NZ but also with the US, Canada and UK. The review was told that the first ever truly global meeting of firefighting unions appears likely to take place in March 2009, predominantly as a result of the NO's activities.

Different views have been expressed as to what exactly has gone 'wrong' with the national union and what the appropriate solutions would be, but the following were expressed by most if not all branches:

- There is a perceived lack of information provided to branches about what is occurring at a national level.

- There are irregular meetings of NE. Some branches expressed that the situation was better prior to cuts in funding in 1996-8, with face-to-face meetings and telephone conferences being held.
- The meetings of NCOM are not as useful as they could be. Insufficient time at NCOM is devoted to strategic and industrial issues.
- Some branches perceived irregular provision of financial accounts and minutes to branches, and there was a perception of uncertainty about what branch contributions are being used for. However, it was also noted that auditors have been available at NCOM and NE meetings to clarify such matters and clarification was sought and provided.
- Sometimes there occurs a failure to provide timely and accurate invoices for capitation fees. Similarly, it was noted that some branches had delayed their payment of capitation fees.
- Other than the NS, there has been a lack of consistent national personnel with whom to deal.

This review has found a mixed response to some of these concerns, but a number are made out, namely:

- There is no regular schedule of executive meetings, and some are often called at relatively short notice.
- There are currently no NO employees with full-time responsibility for managing the NO's finances or administration, with Victorian branch staff currently bearing the burden of these tasks.
- There has been turnover of two senior industrial staff within recent years.
- There are currently no industrial employees of the National Office, with the NS performing all such work.
- The national office does not have any separate office space (owned or leased), but only an arrangement with the Victorian Branch for use of some of their space. This appears to have been arranged by the previous National Executive Officer.

- There is limited understanding amongst branches about what the NO is doing and has in fact done. It is not apparent whether this is because of lack of meetings, time constraints of various people or inefficient communication processes.
- In the recent past, the NO has distributed material to branches from the ACTU, media summaries, policy documents and other relevant information, but it is not clear whether this is being distributed amongst branch committee members.

Many branches also spoke of a history going back to 1997 of adversarial national meetings, disputes over the level of funding to the union, budget cuts to the NO from 1997/1998 and some branches making late payments to the NO.

Following budget cuts in 1997/8, the national office currently has no significant assets to speak of, but auditors have advised that there are reasonable cash reserves. The review was informed that a suggestion 2-3 years ago to purchase a building for the NO was rejected by NE.

This report contains recommendations in respect of all of these matters. There is an urgent need for action, made all the more pressing in light of impending legislative changes. One Branch Secretary spoke of a 'crisis of irrelevance' of the National Union since 1997/8. However, any crisis also poses opportunities: currently, the union has a 'clean slate' and can now establish the most appropriate structure for the needs of branches and for the impending era of new industrial regulation.

5.1. Union internal structure

As a general proposition, unions can be truly national, or truly federated, or somewhere in between.

Truly national unions do not grant weight to state based structures and instead endeavour to provide as closely as possible for parity between members wherever they are: a vote of a member in Western Australia has the same weight as a vote of a member in Victoria, for example, despite the different populations in each State. State branches of such unions tend to have fewer resources and less autonomy than their national offices: the branches are instead sites for servicing members' local needs.

Because the national structure is seen as more democratic - it represents the wills of the members nationwide - that is the place where decisions are made and policies developed. Supporters of truly national unions advance the following arguments in favour of such structures:

- there is no reason for giving a member in any given state more or less say than any other member. Federated unions skew democracy by 'gerrymandering' electorates in a way that ought to be considered unacceptable;
- unlike federated unions, where a small state contributing less resources can have as much say as a large state contributing most of the resources, there is a greater alignment between voting rights and the location of members;
- a truly national structure elected by proportional representation ensures that the diverse range of views of members are represented within the union. By contrast, state based structures encourage political positions at a national level that are based on location;
- a variation on the last argument is that a delegate in one state might have a lot in common with someone from another: state based structures don't facilitate the representation of their views, because delegates instead caucus on a state basis; and
- a national structure encourages people to think about what they have in common with those from other part of the nation, with local differences being secondary.

On the other hand, truly federated unions treat their state/territory/service based constituent unions as the fundamental unit, not the national organization. The constituent unions generally have full autonomy *vis a vis* the national organization. Within the federated structure, priority is given to ensuring representation of branches as branches, rather than as representatives of any given number of members. As such, smaller branches may have disproportionately large votes as against bigger branches. Ultimately the question is: when the different organizations come together to form an Australia-wide structure, is the 'building block' of the national union a member, in which case, truly national structures apply, or a state/serviced based organisation, in which case truly federated structures apply? Supporters of federated systems argue:

- state branches/unions ought retain autonomy as they are the real place where decisions affecting members get made;
- federated systems provide for pooling of resources where appropriate without diminishing state responsibility;
- the fact that a member in one state might have 'more votes' than a member in another state is simply a necessary consequence of ensuring the priority of the state branches: allowing a true 'one vote one value' system would allow larger states to override the smaller ones who will always have much fewer members than larger states; and
- the disparity between the financial contributions of a state and the votes it wields *vis a vis* other states is also partly a reflection of capacity to pay: a core principle of unionism should be that larger branches use some of their resources to assist smaller ones.

By way of illustration, the Australian federal parliament contains both types of representation: a lower house (House of Representatives) that aims at enshrining 'one vote, one value' for Australian citizens, and an upper house (Senate) that takes the states/territories as its fundamental unit, according equal representation to all states notwithstanding the significant population differences.

In reality, most unions (including the UFUA) sit somewhere between the 'true national' and 'true federation' pole. The current structure of the UFUA is closer to the 'true federated' position. The number of delegates a branch sends to National Committee of Management is not fully reflective of the number of members in that branch: a sliding scale exists that ensures smaller branches continued representation over and above the number of members they have. The national executive goes to even greater lengths to prioritise the state based unions: the executive is comprised of the secretaries from each branch (plus the two national office bearers) all of whom get equal vote, regardless of the size of membership they represent.

5.2. The future of the UFU: federated or national?

In addition to the general arguments outlined above, there are a number of relevant factors to be taken into account in determining the proper future structure of the UFUA.

Those in favour of retaining a federated structure are:

- State based employers - with the exception of Aviation, the employers are all state government based, and this situation seems unlikely to change in the foreseeable future. Having to negotiate with and relate to state-based employers naturally suggests keeping significant resources and decision making power at the state level.
- Some state based IR systems - 5 out of 8 branches still have employees covered by state based IR systems.
- History and current state of organisation - State based firefighting unions have long and proud histories. As organizations have developed at a state level, so too have the resources been retained by state unions (rather than the state branches of the federal union). To alter this would require significant transfers and restructuring.
- Resources close to members - there is sense in having greater resources closer to members rather than in a more distant national office.

In favour of a more national structure would be the following:

- New IR laws - as noted above, it appears very likely that there will be moves towards a national IR system. This may apply to OHS too.
- Support for smaller branches - Some smaller branches have little by way of industrial support or paid elected officials. Further, a number of smaller branches have, in recent years, had to seek support from other branches for large-scale disputes. There has been no national support to speak of. A strong national presence could provide proper assistance to smaller branches.
- Commonality of interest - issues facing firefighters cross state boundaries. A fire is the same whatever state it happens in, and there should be a uniformity of wages and conditions, as well as a common regulatory scheme for matters such as uniforms and protective equipment

- Employers organising nationally - employers have a forum for discussing industrial issues nationally, and a number of branches reported a strategy of employers attempting to press issues across more than one jurisdiction (eg in respect of secondary employment policies). The Bushfire CRC was also cited as an example of national employer organisation supported by governments.
- Efficiency - Although the history of the union is important, this does not mean that it is the best allocation of resources.
- Campaign work - currently, national and international campaign work is not conducted on any co-ordinated basis across states.

In general, the view of branches was that a federated structure ought remain. With some exceptions, branches were unwilling to cede power or resources to a national office. One branch, however, expressed a strong view that with around 14,000 members nationwide, the union was relatively small and could not afford to retain a relatively large number of branches (and the costs associated with them). This branch suggested that a truly national union was needed akin to the MUA's structure, where the national office makes strategic and policy decisions with local branches responsible primarily for servicing members. There is much to be said for this perspective.

However, this review found the prevailing mood characterised as somewhere between a lack of knowledge or concern of what other branches were doing up to a very high level of distrust and suspicion between branches.

This may stem from the concerns about the current operation of the national office covered in this report. Most branches said that this problem has existed in the union for as long as they can remember. Whatever the reasons, the high levels of suspicion and distrust suggest that a more appropriate course of action is to learn to walk before running, and thus this review proceeds by outlining structures and processes needed to make the national union function efficiently and cohesively: once that has been done, then in future years the debate can be had as to whether the national office ought be entrusted with greater powers.

In short, this review would recommend against any immediate significant restructuring of the *legal* powers of branches and state unions *vis a vis* the national office. However, this is primarily because of the impending legislative reforms which may change the

landscape in which registered organizations operate: there remains much to be said in principle for a strengthening of the powers of the national office, but it is suggested that now is not the time for any diminution of state powers. However, now is *precisely* the time for a well-resourced, strategically driven national office that will assist state unions and branches in their everyday and long-term endeavours, but most especially the transition to a new system.

6. Elements of a new national office

6.1. Functions and role

There was general agreement amongst most branches as to the tasks a national office could be responsible for, namely:

- Representation of the union within national forums, such as the ACTU.
- Campaigns around issues affecting firefighters across the country, such as safety, injuries and compensation, presumptive legislation, and protective equipment.
- International liaison and organisation.
- Giving resources and assistance to state branches in industrial disputes and agreement negotiation.
- Paying attention to and informing branches of relevant changes to laws affecting the industrial conditions of firefighters.

Within the current context, there were also some specific tasks suggested for the forthcoming period.

- One branch suggested that with a prevalence of Labor governments, this is an appropriate time to make hay: to identify what particular issues are sought to be advanced and then implementing a strategy to make gains before the electoral wheel turns again and Liberal governments are in power again.
- Echoing points made elsewhere in this review, there is great uncertainty about what the future holds for industrial regulation of the firefighting industry, yet no plan being prepared for how to transition to this new environment.

It is the view of this report that any substantial re-write to the rules regarding the allocation of power between branches ought wait until the new IR system is in place, and that the amendments passed this year be the minimum necessary to give effect to the 'transition' plan. The new national team should be charged with reviewing the union's rules after the new laws are in place and preparing a new set of rules, if required, to meet the new environment. This later time would also be an appropriate

point to make any rule changes altering the balance of responsibilities between branches and the national union.

The proposal here is referred to as 'transitional' because the primary task of the new NO should be to be a concentration of resources to assist all levels of the union in the transition to the new environment. The NO team should be anticipating the various possible outcomes and ensuring that whatever occurs, the result is a unified approach that benefits the whole union and its branches. Once the dust has settled, the team should be responsible for providing the next team of elected officials with a roadmap for the future of the union. The new NO team should consider this a 3 year project coinciding with the next round of national official elections.

Though this review does not recommend any changes to the powers of the national office *vis a vis* the state branches, it does propose the creation of a strong culture of information sharing. Many of the recommendations in this report encourage greater transparency from the NE downwards, but it must also work the other way if there is to be a true understanding of what is occurring across the country.

The NO should be fully abreast of what is occurring everywhere and be able to provide timely and accurate assistance to all branches. It should also encourage a culture of lifting all branches up to the best level of wages and conditions across the country. Further, essential to combating the culture of mistrust and suspicion that currently exists is accurate information about what is actually occurring in other branches and services.

Without affecting the powers of branches, the following are recommended as essential to the full functioning of a national office.

Recommendation 1 - Role of the new NO

That the primary responsibilities of the new national office be fivefold:

Transition guidance - The NO should be responsible for understanding the new industrial laws in a high level of detail, providing strategic advice to all components of the union about the laws' impacts, assessing the risks and opportunities the laws pose to the union and developing industrial and organisational plans to guide the union through the transition to ensure that

wages, conditions or entitlements of firefighters are maintained and improved.

Resourcing - The NO is to provide assistance to branches on industrial, legislative and campaign matters. This is to be provided when requested by branches. Primarily, this assistance is to be provided in the form of the time and expertise of the national officials/employees. NE will also consider *ad hoc* applications from branches for specific funding or other resources (such as when a branch is facing a particular dispute and needs funding). The NO should also consider whether there are any economies of scale to be gained from branches voluntarily pooling their purchasing powers.

Informing and researching - The NO is to build upon the existing database and develop an electronic information base of wages and conditions for use by state branches. The NO shall also keep abreast of local and international developments affecting firefighters. The NO/NE will also be an information sharing centre and be responsible for being up to date with negotiations and disputes across the country. In addition, the NO should conduct research and develop policy to advance the interests of firefighters. The NO should also take steps to ensure regular contact and collaboration between the union's industrial and research officers.

Campaigning - The NO shall play a key role in coordinating the timing and nature of campaigns being conducted across the country. The NO shall also play a role in developing campaign priorities and materials on 'non-industrial matters'. The NO should also participate in broader industrial and political campaigns in so far as necessary to advance the interest of firefighters nationally.

Representing - The NO should take an active role in the national debate in so far as it affects firefighters. This extends to debates about industrial matters. The NO should also participate actively in the international sphere, especially with regard to the ongoing discussions about an international firefighting union.

Recommendation 2 - National strategy for certain issues

That there be a national policy and strategy developed for campaigns on issues other than wages, issues including:

- Climate change, including how to capitalise on the ACTU policy;
- numbers on the fireground/appliance;
- OHS;
- Training and qualifications so as to protect and enhance the integrity of the profession;
- protective equipment;
- emergency medical response;
- workers compensation;
- retained firefighters;
- the Northern Territory; and
- private sector firefighting.

The new national office should be informed of all such disputes and campaigns that are occurring and should keep NE informed of the progress of such campaigns. Where possible, the national office should help co-ordinate the timing and nature of the campaigns, with a view to maximising the chances of success of a given campaign and then the subsequent 'rolling out' of the victory in other fire services.

Recommendation 3 - National register

A national register of all agreements and current significant disputes should be compiled by the national office, and national office explore compiling these together into a database accessible by all branches to enable ready comparison of the varying conditions in the various services. NE should also be provided with regular lists of dates of expiry of agreements/awards.

Recommendation 4 - Presentation of logs of claims

All industrial claims should be presented to NE prior to being presented to membership. NE should have no power to direct a branch not to make a claim, but should be informed on an ongoing basis of what is occurring in any given branch. The review found a great lack of knowledge between branches about what was occurring across the country. Two branches could be discussing the same issue at the same time yet be unaware of it. Similarly, one branch may be about to enter into a dispute about something that another branch had previously won. A presentation to NE would facilitate information sharing.

Recommendation 5 - Presentation of draft agreements and awards

Further, draft agreements/awards should be presented to National Office/NE prior to being adopted by membership and/or made into an enforceable instrument. NO/NE should have no power to direct a branch not to sign or endorse an agreement, but should be informed on an ongoing basis of what is occurring in any given branch and able to make recommendations. Although this proposal will involve a significant change in practice within the union, it is considered necessary to ensure that the new national office is across what is happening in the various services. It will also assist in ensuring that gains in one area can be rolled out in another, and conversely that gains in one area are not threatened by positions taken or agreements reached elsewhere.

**Recommendation 6 -
NO Information sharing**

That an email contact list of all NCOM and BCOM delegates be compiled, and that significant non-confidential NO documents (such as minutes, plans, updates) be able to be sent to this list. Protocols for the use of this list should be developed to ensure that it does not become politicised and that only appropriate information is sent to the list.

6.2. National meetings

6.2.1. NCOM

Whilst there was a general feeling that NCOM was useful and enjoyable, this review also found some branches concerned that in recent years it had lost focus. The most common complaint was that insufficient time was spent discussing issues of substance. It was also a concern for some that whereas NCOM was once a place for discussion about broader issues - such as changes to the economy - this was no longer occurring.

Recommendation 7 - Agenda for NCOM

The NS is to prepare and circulate a comprehensive agenda for NCOM at least 14 days before the meeting. The agenda is to be prepared in consultation with the NP and any senior industrial staff employed by the national office.

Recommendation 8 - Campaign plan for NCOM

The NS is to provide the NCOM with a plan of industrial, strategic and campaign priorities for the forthcoming 12 months, and a session at each NCOM shall be devoted to discussing that plan.

Recommendation 9 - Meetings of NCOM

At least one day of each NCOM be set aside for plenary sessions on specific industrial and strategic issues affecting firefighters.

Recommendation 10 - National Manager at NCOM

That the National Manager attend NCOM for the purpose of taking minutes.

6.2.2. National Executive

To put it plainly, the lack of a cohesive, shared understanding about the purpose and role of the national union, together with a lack of sufficient resources to support the NE and the NO, have resulted in a number of NE participants feeling they are uninformed or unsure of the role of the NE. Some have stated that this problem began as far back as 1996-8.

What is needed, this review finds, is a full commitment by all participants to not only a well resourced national office, but an informed and committed NE. Whilst this does not require rule changes - the NE already has substantial power - it does require a cultural shift. NE needs to be understood as a significant body exercising power delegated by the NCOM, and one required and entitled to exercise control over the direction of the National Office. A key function of the new NE should be to ensure that the budget set by NCOM is being adhered to.

Recommendation 11 - NE Meeting dates

That each NCOM determine at the beginning of the year the dates on which NE meetings will take place and the manner in which they take place.

Recommendation 12 - Number of NE meetings

That at least 6 scheduled meetings of NE be held each year.

Recommendation 13 - Nature of NE meetings

That at least 3 of the 6 meetings be held face-to-face, with the remainder to be held by video/internet hook-up or telephone hook-up.

Recommendation 14 - Agendas for NE meetings

That a practice be adopted of the NM circulating written agendas after approval by the NS at least one week before each meeting.

6.2.3. Industrial Officers

The union's industrial and research officers were almost uniform in saying that they had no effective contact with their counterparts in other states. They were often completely unaware of industrial developments in other branches. They expressed a strong desire for a national presence to whom they could turn for support, research and advice about industrial and policy matters. Many industrial officers were concerned that they had no on-going training, a complaint not unique to the UFUA.

The union's industrial officers are a key to its effective functioning. As a small union, the UFUA has a significant number of officers that are working largely in isolation. To put it mildly, this is not a good use of the union's staff. Not only would greater interaction help the officers themselves, but it would almost certainly make the work of elected officials much easier. Industrial officers could, for example, work together to prepare national briefs on wages and conditions, or develop proposals for consideration by conference. A new national office should have as a key function the supporting of IO's. It should also liaise between them and co-ordinate on areas of cross-branch benefit.

Recommendation 15 - IO meeting

That a national meeting of industrial officers take place at least once a year, the day before the NCOM. The NO should be responsible for organising the meeting, preparing the agenda and preparing a report to the NCOM of the outcomes of the session.

Recommendation 16 - IO information sharing

That the NO work with industrial officers to determine the best way of sharing information between branches about industrial and other matters of common concern.

6.3. The new national office

If there is one conclusion from this report, it is that more people are needed in the national office, and that they should bring with them significant industrial and strategic policy and vision. This section sets out 3 options for how this might occur. Views will differ as to which will work best. However, all are premised on a significant injection of resources at a national level. It is the strong conclusion of this review that the only way the national office will develop an 'inertia', an inertia that will keep it going irrespective of the individuals working there and of the relationships between state branches at any given time, is by building it up and reaching a critical mass.

It is suggested that three full-time personnel in the same location is a minimum requirement, and in the spirit of walking before running, more staff have not been proposed. This is, though, the 'bare bones' of what is likely to make the national office work. Most national offices would employ well in excess of three people. If a more expansive approach were to be adopted by the UFUA, this review suggests useful additional employees would be:

- a) Research and Policy Officer, responsible for preparing detailed submissions to government and other bodies, keeping abreast of developments in the industry and developing policy for implementation at a national and branch level; and
- b) Campaign Officer, responsible for developing campaign strategies and materials.

However, below are set out the three 'minimum options'. Before considering these options, it is necessary to examine a potentially contentious matter.

6.3.1. Terms of engagement of national officers

There is a diversity of views within the union as to how any national officers should be engaged. Some expressed a view that elected national officers should remain honorary, and that any paid national officers should be engaged pursuant to a contract of employment. It was felt that this would help 'de-politicise' the position and make it easier for NE to hold the person accountable. This would presumably be an engagement similar to that within the Victorian Police Association, an incorporated company, where an Executive Secretary is appointed pursuant to a contract. The

relationship between the executive and the secretary then becomes akin to that between a Board of Directors and a CEO. Some branches expressed the view that they understood the appointment of Leigh Hubbard several years ago as National Executive Officer was precisely designed to de-politicise the national office and instead have an employee who could more easily be held accountable. However, on the other hand, most other unions appear able to have elected full-time national officials within a functioning union structure. This reflects what could be said to be the important representative nature of unions, as distinct from companies.

The options considered below reflect the diversity of views within the organization.

6.3.2. Options for the new national office

The tasks recommended above will require significant resources. As foreshadowed earlier, three full-time people is seen as a minimum. The division of duties would be roughly as follows:

One senior administrative employee, a National Manager, responsible for:

- Providing administrative and organisational support for the national officials/officers
- Managing accounts
- Maintaining the NO's files and databases
- Organising and servicing national meetings

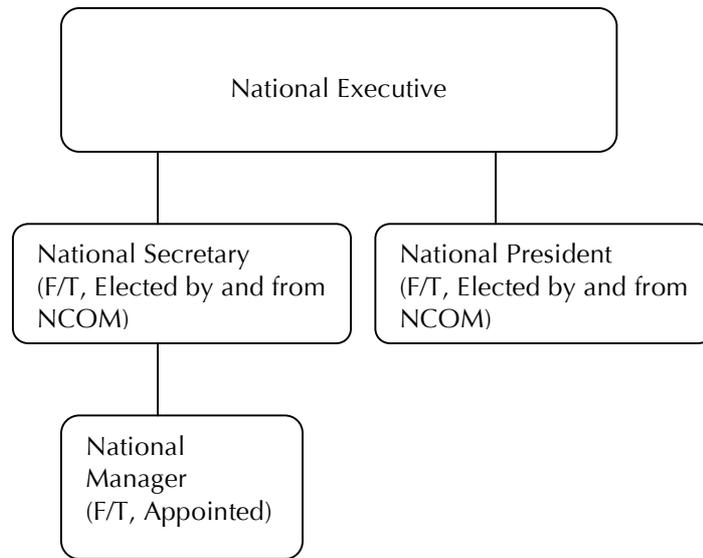
Two senior officials/officers who would be responsible between them for:

- Representation of union in national and international forums.
- Provision of high level industrial advice and support to NE/NCOM and branches.
- Provision of support and where appropriate co-ordination of industrial officers.
- Preparation of strategic options plan for dealing with new legislative context.

- Development of national budgets.
- Development of campaign plans about non-wages matters.
- Running campaigns about non-wages matters.
- Development of national database/register of industrial agreements and disputes.

The titles, methods of selection and responsibilities of these two positions is open to debate. Below are three options for consideration, together with suggested divisions of labour.

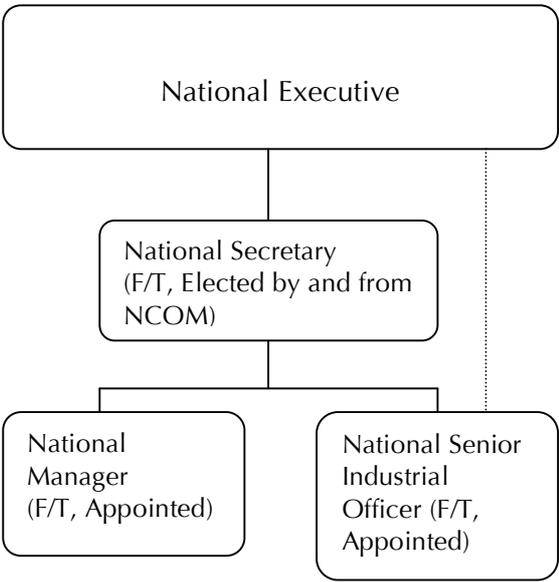
OPTION 1



In this option, emphasis is given to ensuring that the senior national officials are as representative of the NCOM as possible, and have the legitimacy that follows from elected positions. In some ways similar to the current Queensland structure, the National Secretary would be responsible for the representative functions of the union, and would pursue national campaigns and also be concerned with internal union strategy. The President would be of equal status to the Secretary (i.e. reporting directly to the NE) and expected to function as a senior industrial officer, monitoring legal and industrial developments, providing industrial (and potentially legal) assistance to branches and developing strategies on industrial matters.

| Advantages | Disadvantages |
|---|--|
| Encourages occupation of senior positions by people from within firefighting ranks. | Election process may discourage applicants. |
| Power is shared so that no one official is able to 'run the show'. | No one clear person responsible for operation of national office. |
| Maintains the 'union' principle of election rather than a corporate principle of 'appointment'. | It is less easy to discipline officials than it is employees. |
| National officials can speak as the highest elected representatives of the union. | May be seen as creating a 'politicised' power base within the national office. |

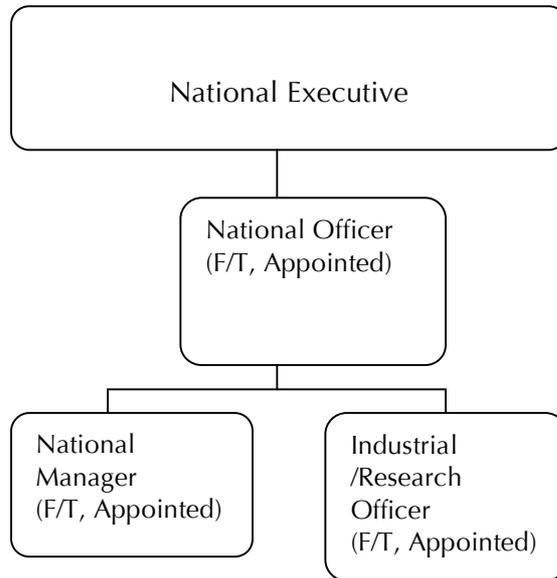
OPTION 2



The division of labour between the NS and the NSIO in this model is similar to that between the NS and the NP in option 1, save that the NSIO is a senior employee with a high level of industrial, campaign and/or legal experience who will work subject to the direction of the NS. This model provides for clear lines of responsibility and authority and minimises the prospects of political friction that may arise between two elected officials.

| Advantages | Disadvantages |
|---|---|
| Encourages employment of an individual with high level skills. | NEO may have less authority when representing the union externally, or when liaising with branches. |
| One clear person is responsible for operation of national office, and the most senior person in the NO will be an elected official. | Potential for one official to have significant say over the operation of the national office. |
| Employment of NEO allows for easier accountability, especially as there will be a full-time secretary there to supervise them. | NS remains subject to supervision of NE but cannot be disciplined as an employee. |

OPTION 3



This model gives effect to the desire to have the national office as devoid as possible of issues that accompany representative politics. The national officers are appointed by the NE and chosen on the basis of their ability. The NES would be responsible for most of the industrial, strategic and representative tasks of the new national office. The Industrial/Research officer would provide the NES with support, maintain the database/register, assist branches and liaise with branch IO's. The IO may assist with some campaign activities. There are clear lines of responsibility in this model.

| Advantages | Disadvantages |
|--|--|
| Encourages employment of individuals with high level skills. | NES, being neither elected nor necessarily a firefighter, may have less authority when representing the union externally, or when liaising with branches. UFUA operates less on 'union' and more on 'corporate' model. |
| One clear person is responsible for operation of national office. | Potential for one person to have significant influence. |
| Employment of NES allows for easier accountability in event of poor performance. | No ongoing supervision by elected representative of any of the staff in the office, potentially affecting firefighters' control of their own union. |
| Clear lines of communication and responsibility. | An appointed person is reporting to a collective body, with no ongoing single point of contact. |

It is considered urgent that one of these models, or an agreed variation thereof, be adopted. However, it is also considered that - as with the last significant rule change to the structure of the union - the commitment and agreement of all areas of the union is crucial: changes to national rules and structures will mean nothing without the backing of the branches. Given the levels of distrust between some branches, as well as a legitimate concern that larger branches could impose their will on smaller branches, it is felt that it should be a priority to seek consensus to ensure lasting reform the union. Whilst this would allow any branch to veto the appointment, it would make it more likely than not that the agreement reached will endure. This will require a serious commitment from branches.

Recommendation 17 - National Office personnel

That one of the above three options be endorsed as soon as possible, but with the agreement of all branches.

Recommendation 18 - National Office selection

That selection of senior representative and industrial officials require the agreement of all branches.

6.4. Location of new national office

Some branches were of the view that co-location would be acceptable only in a de-politicised structure, i.e. one where the national office consisted of appointed staff, not elected officials. Most branches did not have a firm view about whether the national office should be co-located, suggesting that if there were greater accountability over the national office its location would be of less importance.

Most branches felt that the national office should be in a major capital city, with Sydney, Canberra and Melbourne being the obvious alternatives. Sydney has the greatest number of firefighters and arguably has the greatest amount of resources

available to assist a national office. Melbourne is where the ACTU is located, is in the Federal IR system and is recognised as an 'industrial' capital. Canberra is the political capital and co-location with the ACT branch and any new Federal branch could result in useful sharing of resources.

Wherever it is located, it is suggested that co-location be explored if it can result in a more favourable cost arrangement for the new national office, eg through shared resources and lower rent. Consistent with the theme of this report, it is suggested that the implementation of the essential recommendations and the creation of a transparent national office will diminish concerns about the national office being 'co-opted' into any branch.

It is recommended that the national office not rotate locations (e.g. on the basis of the ordinary place of residence of the office holders or employees). The lack of organisational inertia has been one of the key reasons the current structure has not worked: having a rotating office would only exacerbate this.

Recommendation 19 - Location of national office

That the National Office be located in a major capital city on the eastern seaboard.

Recommendation 20 - Location of national personnel

That all NO personnel be located in the same office.

Recommendation 21 - Co-location of national office with a branch

That co-location with a branch be explored to determine whether it can provide any financial or other advantage for the national office.

6.5. Status and resources of branches

Most branches appear to have sufficient resources to meet their ongoing needs.

There are, however, some areas that give cause for reflection. By way of summary, the following is a snapshot of the current state of affairs:

| Branch | Paid office bearers | Paid staff | Significant assets |
|---------------|----------------------------|---|---|
| NSW | 1 | 5 x industrial 2 x administrative 3 x organisers 1 x media | Own building in which union is located. |
| VIC | 1 | 3 x industrial 5 x administrative | Own building in which union is located, part of which is rented out. |
| Qld | 1 (P/T) | 3 x industrial 3 x administrative | Own building in which union is located, part of which is rented out. |
| WA | 1 + honorarium | 1 x industrial staff 1 x administrative | Joint ownership of building in which union is located and other properties. |
| SA | 1 + honorarium | 1 x industrial 1 x administrative | Ownership of building in which union is located |
| Tas | 1 | 1 x administrative | Renting space in Trades Hall. |
| ACT | 0 | 0 | Own office unit in which union is located. |
| Aviation | 1 | 1 x administrative | Renting office unit in which union is located. |

For reasons set out earlier, this review is not recommending any immediate changes to the ownership structure of assets nor to the powers of branches to manage their own assets. However, when standing back and considering the union as a whole, it

is not clear that there is the most rational and effective use of the union's limited resources.

Consider the Aviation Branch. A cornerstone of the federal union, it is required to service firefighters in a specialised service with one employer across the country. The branch incurs substantial and disproportionately high travel costs which must be met from the dues of the relatively small number of members of the branch. These costs appear largely unavoidable, for whilst absorbing aviation firefighters into their state branches in which they work might seem initially attractive, it makes little sense when one considers that there is only one employer and one certified agreement to negotiate. Nonetheless, with travel costs, a full-time secretary and a full-time office manager, there is a high cost to member ratio in the aviation branch and little opportunity for it to build up assets.

As to the Australian Capital Territory, their income does not permit them to engage paid officer bearers and administrative staff on a full time basis. Various methods have been used to deal with this problem. Currently, the Secretary works as a full-time firefighter and performs Secretary roles as overtime, and is paid by the union at 20 hours' overtime rates. The duties that would otherwise be done by a full-time Secretary are split between the branch Secretary and other members of their BCOM. This method is relatively new, but previous structures have apparently led to burnout and to this method being trialled.

Tasmania, though small, has a significant organisational inertia and ability to service its members. However, the lack of industrial staff to draft agreements, deal with disputes etc may pose problems at some later stage if/when there is a changeover of office bearers and the current significant institutional memory is lost.

It is suggested that now is an appropriate time to address the situation of the union's ACT and Aviation branches. It is important to note at the outset that this review did not raise this issue with the ACT branch during discussions or prior to preparation of this report: it was a position arrived at after meeting with the ACT branch. Similarly, the ACT branch did not make any suggestions about a merger. It was apparent from meeting with the ACT branch that there is no doubting the capacity, energy and commitment of the branches' officials. In no sense is this review a

reflection on the individuals who occupy the positions: on the contrary. Similarly, the need for a specialised and local presence remains.

However, currently the ACT and Aviation branches lack access to proper industrial support for negotiating/drafting agreements, dealing with significant disputes or addressing legislative changes. The *ad hoc* use of lawyers to deal with issues as they arise is probably not the best use of these branches scarce resources. Further, though the practice of the Victorian branch of assisting with resources for significant disputes is admirable, it is probably more desirable and sustainable if such things are seen as properly national questions.

The savings to the union as a whole from a reviewed structure could be significant: the cost of maintaining and servicing at least one and possibly two premises; the cost of between 1 and 2 officials/staff members; and legal costs.

Each branch's agreement ought be required before proceeding with any change outlined below: it should be done on the basis of consensus, not as a takeover. Significant rule changes would also be required.

Option 1

Consideration should be given to a new Federal Branch of the union be established to represent ACT and Aviation firefighters. This branch would have a total of about 1000 members, and could thereby sustainably afford a full-time secretary with appropriate administrative support. The Branch would be located in the office in Canberra and the Aviation Branch would terminate its lease. There is a staff member in the Aviation Branch in Sunbury, Victoria, who would need to be considered and all appropriate consultation conducted.

Option 2

Even more attractive from a strict resource allocation perspective is the amalgamation of the ACT and Aviation branches with an existing branch. The economies of scale that would result would enable much greater levels of

servicing of ACT and Aviation members: the branch could employ a senior organiser responsible for both sectors who would be based in the branch but travel regularly as required, and they would be able to draw on the industrial officer resources of the Branch as well as the financial resources for significant disputes.

The 'merging' Branch ought create two unpaid positions on its BCOM - Assistant Secretary (Aviation) and Assistant Secretary (ACT) - each elected by their respective constituents. An honorarium could be paid to each if appropriate, but something reflecting that only a part-time involvement was required. If it was thought useful, each of Aviation and ACT could retain sub-branch status, with an elected committee that would meet regularly together with the Branch Secretary and the relevant organiser. Essential to the success of such a model is the maintenance of a strong delegate network within each of Aviation and ACT.

The new branch would need to be renamed to accurately reflect its status.

The Aviation branch could terminate its lease, but again the situation of the Aviation office manager would need to be considered and all appropriate consultation conducted. There may be some value in retaining the ACT office space as a central point for the branch and for the organiser to work when in the territory.

The obvious branches with sufficient resources and proximity to merge with ACT and Aviation are Victoria and NSW. There are arguments on both sides: NSW geographically encompasses ACT and could more easily reach it; Melbourne is not that far from Canberra, and Victoria is already in the Federal industrial relations system, like Aviation and ACT, whereas NSW has no expertise in that area. On balance, the creation of a new Victorian and Federal Branch would appear to be the most effective way of servicing the industrial needs of the Aviation and ACT firefighters, but it is a fine balance and one best determined by the union.

Option 3

A third option is to make the new national office responsible for servicing the ACT and Aviation sectors, in addition to its other responsibilities. The advantages are similar to merging with a state branch. However, this would likely require a higher level of resourcing than the options considered in this report - at least one organiser solely responsible for ACT and Aviation would be required.

A question also arises as to how the votes of the ACT and aviation firefighters would be represented at a national level: logically, there should be federal delegates at NCOM representing these members, but these delegates then would be in the anomalous situation of not having a branch. If a branch is established, then this is effectively option 1, above. If no separate branch is established but instead these delegates are simply recognised as a division of the national office, then the national office begins to become a *de facto* branch.

Recommendation 22 - Branch merger

That each of Aviation and ACT branches consider:

- merging with each other; and/or
- merging, either together or separately, with a larger branch;

pursuant to Options 1 or 2 above, and that further discussions then take place with a view to reaching a consensus outcome.

6.6. Level of contributions to national office

The review was informed by at least two branches that funding contributions were once substantially higher than they are now, but that after 1996, when the National Office moved state and the National Secretary position became part-time, they dropped significantly. Prior to 1996, the review was told, two positions were funded on a full-time basis: the National Secretary and an administrative position.

It is strongly suggested that a proper budget first be developed to give effect to the recommendations of this report, and that any necessary increases in capitation fees be deduced from that. By way of rough calculation, it appears that the costs of implementing this report and funding a new national office would be in the order of \$350,000-\$400,000 in wages and honorariums (plus on-costs) for a National Manager, National Secretary plus either National President/ National Executive Officer. On top of this would be the costs of office rental together with the usual costs associated with running a business. There would also be costs associated with any materials produced by the office, together with costs of travel, of organising the national conference and having executive meetings. As it is recommended that a detailed budget be prepared prior to the increasing of any capitation fees, this review remains at a certain level of generality. However, it is suggested that unless favourable accommodation requirements can be obtained in/through a branch, the required income of the new national office is likely to be in the order of up to double the current national subscriptions paid.

It is the initial position of this report that most branches could afford an increase in national office contributions. At least one branch even expressed a willingness to consider increase membership fees generally to fund any new requirements of a National Office, but that it would need to be linked to a demonstrated project of reform. Whether branches decide to increase members' fees to cover the cost ought be first discussed at a national level.

Finally, it is recommended that budgets be set on the basis of meeting the ongoing costs of the national office. It is not suggested that the NO own real estate. The funding of specific campaigns should be determined on an annual basis by the preceding NC (see above) or by NE in between NC meetings.

Recommendations are contained in the Finance and Management section of the report below.

6.7. Voting rights

As stated above, all branches expressed ongoing support for a national union in some form. Most branches did not raise a concern with the current federated electoral

structure. One branch, however, raised significant concerns with the current system of representation. They argued in favour of what they termed a national union. Delegates would be elected to try to ensure 'one vote, one value' as between members: something like one delegate per 200 members, for example (this figure was not suggested by the branch but is used here to illustrate the argument). In recognition of concern that 'one vote, one value' might encroach on smaller branch autonomy, the branch suggested that all national decisions could be completely non-binding on branches.

Some officials also suggested delegates be elected by proportional representation. This model would make the national union more representative in the 'one vote, one value' sense, but also in allowing the diverse range of members' political positions to be represented at a national level. For example, if there were three 'tickets' running for national election, and ticket A had 40% support, ticket B 35% and ticket C 25% on a country-wide basis, the proportional representation aspect of the system would result in close to 40% of delegates at NCOM being from ticket A, 35% from B and 25% from C.

The concern about the disparity between size of membership and their NCOM representation and funding comes from a legitimate position: it flows directly from a 'one vote, one value' principle that puts the member at the centre of the national structure. For so long as there is a federated structure that elevates the representation of smaller branches, however, this disparity will be an issue. The competing principle of funding a national office would be 'from each according to their ability, to each according to their needs'. It ultimately, therefore, becomes a question for larger branches as to how much they are willing to *de facto* subsidise smaller branches and accept a diminution of their own vote.

Also, having a truly national and truly representative union ought logically to lead to a diminution of state autonomy. There appears little point in having a union organised around representing members nationally on a 'one vote, one value' basis and then increasing the power of 'unrepresentative' state bodies by only allowing 'non binding' decisions at a national level. However, the suggestion that national decisions ought not be allowed to encroach on branch autonomy recognises a real concern shared by almost all other branches: any new structure ought not allow decisions made at a national level to encroach on the proper province of a branch.

Several branches expressed the view that the current structure of voting rights was a carefully balanced outcome designed to ensure larger branches like Victoria and NSW could never dominate the union. It was suggested by some that a strong case for change would be necessary before any alteration would be considered.

There is no clear science to the question of voting rights. Small branches may always feel potentially overborne; large branches may always feel they are contributing more than their fair share. It ultimately becomes a question of balancing competing principles and making concessions in the name of having a national union. And no matter what voting structure, in the absence of goodwill and commitment from branches big and small, no NO will work effectively.

6.7.1. Non-career firefighters

Within the current structure, one area that also appears of concern to this review concerns non-career firefighters, most of whom are employed on a other than full time basis. Some states have many retained firefighter as branch members; other states don't have retained firefighters at all, let alone as members. Although branches with retained or part-time firefighters pay only a fraction (20%) of capitation fees to the national union in respect of those members, those firefighters are counted as a full member when calculating delegate entitlements. This leads to some surprising results: on 2006 figures, NSW, for example, has 2,380 firefighters paid at 20%, Qld has 315 and SA has 129. However, these numbers of retained/auxiliary firefighters outweigh the branches of ACT, WA, Aviation and Tasmania combined. Indeed, NSW's retained firefighters alone outnumber these 4 branches. This clearly requires careful consideration before proceeding to a 'truly national' structure, and is a strong argument for a federated system.

There are, of course, broader questions about how best to relate to the remuneration of non-career firefighters. It would appear that the more or less agreed approach is to try to have them covered by industrial instruments and brought 'within the tent.' However, until there is uniformity of treatment, and an agreed definition nationally of what counts as a 'firefighter', a disparity in representation will continue.

Ultimately, though, there remains force in any argument that the scale calculating the number of delegates to NCOM could make a closer connection between delegate numbers, membership numbers and amount of contributions. The current scale does

not have any logic behind it other than it being an attempt to ensure ongoing representation for state branches. Should it be considered that a change is required, it is also recommended such change would need to take account of the anomalies and potential injustices arising from a lack of uniform definition of what counts as a 'firefighter' for the purposes of capitation fees and delegate count. The treatment of a retained firefighter as equivalent to a full-time firefighter for voting purposes but not for national contribution purposes is anomalous. Further, it may be considered unfair by some if their state branches could be outvoted by retained/auxiliary firefighters from other states. This could be addressed by recalculating the number of delegates to NCOM each branch is entitled, taking into account how many full-time and how many part-time firefighters each has.

Recommendation 23 - Voting rights

Should it be considered that the current system ought be based around a national rather than federated structure, then:

- Specific written proposals should be developed by proponents for change setting out a new structure, and the arguments for it;
- Proper time should be set aside at a NE/NCOM to debate the issue, with written proposals and arguments for and against having been circulated well in advance.

Consideration should be given to inviting to such a meeting members of the NCOM who were present at the time of framing the original rule.

6.8. Private Sector firefighters

Despite the increasing number of private sector firefighters, there is no unified national approach to nor coverage of them. Whereas some branches have tended to ignore the private sector, others have taken an aggressive approach to organising them. One option floated during the review was to establish a private sector branch within the union, perhaps directly part of the national office. This way, there could be a coordinated national approach to the private sector issue and an income stream for the

national office. Further, many of the firms employing private sector firefighters are national (if not multi-national) firms, often contracting to the federal government.

This review does not recommend the establishment of a private sector branch or division. The establishment of a separate branch or division could entrench the differences between the private and public sectors' wages and conditions, whereas the approach ought to be to bring the private sector up to the public sector level, thereby diminishing the incentive to contract-out. However, it ought be a task of the new national office to not only review the prevalence of private sector firefighting and the skills, wages and conditions, but also to develop a strategy to harmonise their conditions. The national office should be involved in branch negotiations for private sector firefighters.

Recommendation 24 - Private sector firefighters

That the National Office:

- review the prevalence of private sector firefighting, and the prevailing skills, terms and conditions;
- develop a strategy for the private sector;
- be informed of and participate in all negotiations and significant disputes concerning the private sector.

7. Finance and management

7.1. Audits

The review was directed to pay attention to financial procedures. It is worth mentioning up-front that audits of the national office are conducted and no irregularities have been found by the auditors. However, some delays in conducting the audits and publishing the results have led to concern amongst some branches about the financial procedures of the union. Recommendations aimed at providing more regular and accurate information to the branches via National Executive are set out below.

This review was informed that at a recent NE meeting, it was suggested that some branches and the NO may not have complied with the timeframes required by legislation, and that as a result it was recommended that Secretaries/relevant officers undergo training in order to fully understand their legislative requirements. Although no specific recommendation is made about this, this is a good course of action that should be implemented as soon as possible, and at least once for all new relevant elected officials.

7.2. Ongoing responsibility for management and finances

Aside from the issue of provision of more regular information to the National Executive, dealt with above, also of concern is the lack of a dedicated staff member responsible for the ongoing accounts of the national office. While all branches have an employee responsible for financial record-keeping, or at least record-keeping up to the point of handing it over to a bookkeeper, there is no longer any such employee solely within the national office. Such a person was employed up until one year ago, but they have not been replaced. Currently, the Victorian office provides substantial assistance.

The current situation is neither desirable nor sustainable. Whilst the National Secretary remains responsible under the rules for record keeping regarding the national fund - and it is not suggested that this change - the reality is that this obligation can only be discharged with proper administrative support. Greater clarity and resources must be accorded to the administrative responsibility for national office accounts.

Though accounts and audits have been prepared and auditors have found no irregularities, some branches expressed a view that the rules required amendment to ensure that accounts were prepared in accordance with the rules. It is difficult to see,

however, how the rules could be amended to impose any further obligations that would assist in getting a job done in practice. What is needed, this review finds, is a cultural and resourcing shift towards sufficient national funding for the employment of dedicated staff and the facilitation of regular meetings, as well as the provision to National Executive and NCOM of regular, comprehensive financial information. This, more than any rule change, is likely to result in useful information flowing more often and in a timely manner to branches. Some branches also expressed a view that accountability would be increased if the senior national officers were appointed, rather than elected, an issue dealt with earlier in this review.

Recommendation 25 - Bookkeeper

That a bookkeeper be engaged on a part-time basis as needed to manage the National Office's accounts.

Recommendation 26 - Quarterly reports

That quarterly financial management reports be presented to NE.

Recommendation 27 - National minutes

That the National Manager attend meetings of NE for the purpose of taking minutes, and then distribute these minutes promptly after approval by the NS.

7.3. Expenditure

There is currently no obligation on National Committee of Management to develop, consider and approve a yearly budget to guide the NE or NS in the performance of their duties. Whilst this review does not see a rule change as necessary, a practice ought be adopted whereby each NCOM approves a budget for the forthcoming year. The NS should be responsible for preparing a draft budget and distributing it with sufficient time prior to each NCOM.

Recommendation 28 - 2009 Budget

That the NS, in consultation with the NE, prepare a budget for the union's 2009 financial year (i.e. 1 Jan 2009 - 31 Dec 2009) for consideration at the November 2008 NCOM.

Recommendation 29 - Budget preparation

That the 2008 NCOM pass a standing resolution directing each NS to prepare a budget prior to and for consideration and adoption at each NCOM. The budget should be prepared in consultation with the National Executive.

Recommendation 30 - Budget adoption

That NCOM pass a standing resolution adopting a practice of each year passing a budget for the following financial year.