



FAIR WORK
AUSTRALIA

4 December 2009

Mr F Wubbeling
President
Australian Principals Federation
Unit2, 13-21 Vale Street
NORTH MELBOURNE VIC 3051

By email: apf@apf.net.au

Dear Mr Wubbeling,

**Fair Work (Registered Organisations) Act 2009 (RO Act)
Financial Report for year ended 30 June 2007 (FR2007/459)
Financial Report for year ended 30 June 2009 (FR2009/10137)**

I acknowledge receipt of the financial reports for the Federal Office of the Australian Principals Federation (APF) for years ended 30 June 2007 and 30 June 2009. I also acknowledge receipt of your application under s271 of the RO Act for an exemption for the reporting unit that is constituted by the Federal Office of the APF from its financial reporting obligations for the year ended 30 June 2008. The documents were lodged with Fair Work Australia on 23 October 2009.

The s271 application will be dealt with in separate correspondence.

I note that the General Manager of Fair Work Australia (FWA) has been served with an application that was filed in the Federal Court of Australia in *Australian Education Union v Tim Lee & Anor* (VID669/2009). Consistent with earlier correspondence from the General Manager dated 24 August 2009, the financial reports have been examined by FWA in order to determine their compliance with the requirements of the RO Act.

The financial reports for years ended 30 June 2007 and 30 June 2009 have been filed.

Although the reports have been filed, there are a number of issues that will require attention in the preparation of future financial reports. No further action is necessary in respect of the financial reports already lodged and filed, but please ensure the following comments are taken into account when preparing future reports.

Auditor's report to cover all parts of the general purpose financial report (GPFR)

The auditor's report states that they have "*audited the financial report of the Australian Principals Federation...the financial report includes the financial statements of the Federation.*" It is unclear whether the committee of management statement was included as part of the audit. Under sub-section 253(2)(c) the committee of management statement forms part of the GPFR and must be considered by the auditor in forming the audit opinion. I am forwarding a copy of this letter to your auditor for future action.

Reproduction of s272(1), (2) and (3) in notes to the financial statements

It is a requirement of s272(5) of the RO Act that sub-sections 272(1), (2) and (3) be reproduced in the GPFR. This is usually contained in the notes to the financial statement.

Income statement – Administrative and office expenses

The income statement for year ended 30 June 2007 had a figure of \$354,225 in administrative expenses and \$117,235 in office expenses which made up 63% and 21% of the total expenditure for the year respectively. If the administrative expenses or the office expenses include any of the following expense items, guideline 11 of the reporting guidelines that were issued by the Industrial Registrar (and which continue to apply) requires those items to be disclosed as a separate amount in the profit and loss statement or the notes to the financial accounts.

The expense items of guideline 11 are:

- Expenses incurred for employers making payroll deductions of membership subscriptions;
- Where the rules of the organisation require one reporting unit to pay another reporting unit of the organisation a contribution to the administrative expenses;
- Fees and periodic subscriptions in respect of its affiliation to any political party, federation or group of organisations having an interest in industrial matters;
- Compulsory levies imposed on the reporting unit;
- Grants or donations;
- Employee benefits to holders of office;
- Employee benefits to employees;
- Fees or allowances in respect of attendances as representatives of the reporting unit at conferences or other meetings;
- Legal costs;
- Expenses incurred in connection with meeting of members or committees;
- Penalties imposed on the reporting unit under the Act or Regulations.

Please ensure if any of the above expenses are incurred, separate amounts are disclosed in future financial reports.

Employee benefits to office holders and to employees to be separately disclosed

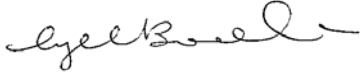
You will note from the above dot points that 'employee benefits to holders of office' and 'employee benefits to employees' must be disclosed as separate amounts in the accounts. In the financial report for the year ended 30 June 2007 the balance sheet and note 6 to the accounts disclose a figure of \$35,220 of employee benefits. Note 10(a), however, provides information regarding related party transactions and discloses the amount of \$140,391 of employee benefits to the president (a holder of office). In future, please ensure employee benefits to employees are separately disclosed from employee benefits to holders of office.

Operating report to provide number of persons who were employees measured on a full-time equivalent basis

The financial report for year ended 30 June 2009 did not provide information regarding the number of employees for the financial year. Even where there are no employees for the relevant financial year, a statement to that effect must be contained in the operating report under the sub-heading 'Employees'.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Wednesday to Friday) or via email at cynthia.lobooth@fwa.gov.au .

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Tribunal Services and Organisations
Fair Work Australia

cc: Mark Costigan
Mark Costigan & Associates
Chartered Accountants



Australian Principals Federation

APF

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Certificate of Secretary or Other Authorised Officer
2008-09 Australian Principals Federation
Federal Office Report

I, Frederik Wubbeling, being the President of the Australian Principals Federation certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 8 October 2009 and
- that the full report was presented to a meeting of the Committee of Management on 22nd October 2009.

Signature:

(APF Federal President)

Date:

22 October 2009

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

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**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE YEAR ENDING JUNE 2009

Principal Activities

The Australian Principals Federation's (APF) Federal body acts as an umbrella and coordinating organisation of the two state branches.

A setback for the organisation occurred on 17 July 2008 when the Federal Court quashed the APF's Federal registration. An immediate application was made to the Australian Industrial Relations Commission (AIRC) for leave to amend APF rules to overcome the perceived deficiency leading to the quashing of the decision.

With new legislation being enacted by the Commonwealth Government entitled *Fair Work (Transitional Provisions and Consequential Amendments) Bill* on 1 July 2009 the APF registration was reinstated and deemed continuous since it was first granted on 30 January 2006.

The Federal President and Victorian Branch Vice President made well received presentations to the Executives of the *Australian Secondary Principals Association* and *Australian Government Primary Principals Association* concerning future industrial representation for Principal Class Officers in states and territories in Australia.

Significant Changes

Branch membership of Western Australia continues to grow whereas Victorian membership trends have continued to decline. Nevertheless there is cause for cautious optimism and belief that this trend can be reversed.

Right to Resign

A members' right to resign is regulated by Section 174 of the Fair Work (Registered Organisations) Act 2009 and is covered by Rule 12 which provides *inter alia* that a member may resign by written notice addressed and delivered to the President.

Trustee of Superannuation Entity

The APF has no officers or members who are trustees of a superannuation entity or of an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme.

Number of Members

The total number of members of the APF (Federal Office) as at 30 June 2009 was 1,693.

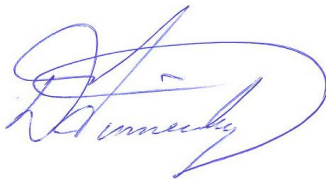
**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE YEAR ENDING JUNE 2009

Committee of Management (APF Federal Council)

For the entirety of the financial year, 1 July 2008 to 30 June 2009, the individuals listed below held office of the Australian Principals Federation – Federal Council unless otherwise stated.

Name	Sector	Constituency
Fred Ackerman (resigned 24/03/09) Christopher Cotching elected 19/05/09)	Primary	Statewide Victorian
Peter Kearney	Primary	Statewide Victorian
Kevin Mackay	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Fred Wubbeling	Secondary	Statewide Victorian
Rosemary Simpson	Primary	Statewide Western Australian
Noel Strickland	Primary	Statewide Western Australian
Peter Fitzgerald	Secondary	Statewide Western Australian



David Finnerty
Acting President
11 September 2009

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
INCOME		
Capitation Fees		
- Western Australia	7,059	-
- Victoria	12,070	-
	-----	-----
	19,129	-
	-----	-----
LESS EXPENDITURE		
Travel and Accommodation	6,867	-
Meeting Expenses	1,596	-
	-----	-----
	8,463	-
	-----	-----
OPERATING (LOSS) PROFIT FOR THE YEAR	10,666	-
	=====	=====

The above income statement should be read in conjunction with the accompanying notes.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**BALANCE SHEET
AS AT 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash		3,310	-
Receivables		9,418	-
		-----	-----
TOTAL CURRENT ASSETS		12,728	-
		-----	-----
TOTAL ASSETS			
		12,728	-
		-----	-----
CURRENT LIABILITIES			
Creditors		1,327	-
GST Liabilities		735	-
		-----	-----
TOTAL CURRENT LIABILITIES		2,062	-
		-----	-----
TOTAL LIABILITIES			
		2,062	-
		-----	-----
NET ASSETS			
		10,666	-
		=====	=====
MEMBERS' EQUITY			
Retained Profit		10,666	-
		=====	=====

The above balance sheet should be read in conjunction with the accompanying notes

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from capitation fees		9,711	-
Payments to suppliers		(6,401)	-
		-----	-----
Net cash provided by (used in) operating activities	2	3,310	-
		-----	-----
Net increase (decrease) in cash held		3,310	-
Cash at the beginning of the financial year		0	-
		-----	-----
Cash at the end of the financial year		\$ 3,310	-
		=====	=====

The above cash flow statement should be read in conjunction with the accompanying notes

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
Total equity at the beginning of the financial year	-	-
Operating Profit for the year	10,666	-
Total equity at the end of the financial year	----- 10,666 =====	----- - =====

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 June 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Australian Principals Federation Federal OFFICE, as an individual entity. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia. In accordance with the Act the Federation is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Federation is not subject to the Corporations Act 2001.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the requirements imposed by the reporting guidelines of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for major activities as follows:

(i) Capitation Fees

Capitation Fees are recognised on receipt of the funds.

(c) Income Tax

The Federation is exempt from the payment of income tax pursuant to Section 50-30 of the Income Tax Assessment Act 1997.

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2009**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(g) Creditors

These amounts represent liabilities for good sand services provided to the Federation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Federation has assessed the impact of these new standards and interpretations and is not expecting a significant impact on the financial statements.

2. CASH FLOW INFORMATION	2009	2008
	\$	\$
Reconciliation of Net Cash Provided by Operating Activities with Net Income		
Net Income/(loss)	10,666	-
Changes in assets and liabilities		
Decrease/(increase) in receivables	(9,418)	-
Increase/(decrease) in creditors	1,327	-
Increase/(decrease) in GST Liabilities	735	-
	-----	-----
Net Cash provided (used in) by operating activities	\$ 3,310	-
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2009**

3. REMUNERATION OF AUDITORS	2009	2008
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the entity:		
<i>Audit services</i>		
Mark Costigan & Associates	990	-
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>		

4. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

There are no transactions between the Federation and committee members for the supply of goods or services other than in the normal relationship between the Federation and a member. Transactions between the Federation and committee members are on the same terms and conditions available to all other members.

**THE AUSTRALIAN PRICIPALS FEDERATION
FEDERAL OFFICE**

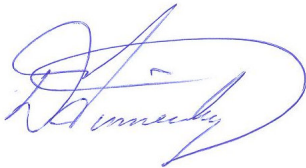
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

On 11 September 2009 the Committee of Management of The Australian Principals Federation Federal OFFICE passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2009.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a OFFICE concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a OFFICE concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member of Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (f) in relation to recovery of wages activity:
 - (i) there has been no such activity undertaken by the reporting unit.

For Committee of Management



David Finnerty
Acting President
11 September 2009

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

Report on the Financial Report

We have audited the financial report of the Australian Principals Federation Federal Office for the year ended 30 June 2009. The financial report includes the financial statements of the Federation. The Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Federation.

Committee Members' Responsibility for the Financial Report

The committee members' of the Australian Principals Federation Federal Office are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In our opinion, the general purpose financial report of the Australian Principals Federation Federal Office presents fairly the financial position of the Australian Principals Federation Federal Office as at 30 June 2009 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards; and
- (b) The requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

MARK COSTIGAN & ASSOCIATES

Chartered Accountants



Mark A. Costigan
Registered Company Auditor
Member of the Institute of Chartered Accountants in Australia holding a current Public Practice Certificate

Lilydale Victoria
11 September 2009