



FAIR WORK
AUSTRALIA

6 January 2011

Mr David Finnerty
Federal President
Australian Principals Federation
Federal Office
Unit 2/13-21 Vale Street
NORTH MELBOURNE VIC 3051

By email: apf@apf.net.au

Dear Mr Finnerty

**Fair Work (Registered Organisations) Act 2009 – (RO Act)
Financial report for year ended 30 June 2010 – FR2010/2774**

I acknowledge receipt of the financial report for year ended 30 June 2010 for the Federal Office of the Australian Principals Federation. The document was lodged with Fair Work Australia (FWA) on 15 December 2010.

The financial report has been filed.

Although the financial report has been filed please note the following comments relating to issues arising out of the 2009/10 financial report. These comments are made to assist you in the preparation of future financial reports and no further action is required in respect to the filed financial report.

Operating Report - number of employees

The operating report should provide details of the number of employees at the end of the financial year on a full-time equivalent basis. I note this information was provided in the notes to the financial statement but it is a requirement under regulation 159(b) of the *Fair Work (Registered Organisations) Regulations 2009* that this information appear in the operating report.

Notes to the financial statement - reproduction of s.272(1), (2) and (3) of RO Act

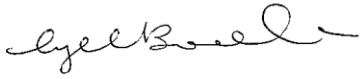
Section 272(5) requires subsections 272(1), (2) and (3) be reproduced in the general purpose financial report. Please ensure this is done in future. The legislation is available at: <http://www.fwa.gov.au/index.cfm?pagename=legislationfwoact>

Updating references to Fair Work (Registered Organisations) Act 2009

Please update the legislative references in the committee of management statement. The RAO Schedule is now the *Fair Work (Registered Organisations) Act 2009* and the RAO Regulations is now the *Fair Work (Registered Organisations) Regulations 2009*. The Industrial Registrar should now be referred to as the General Manager.

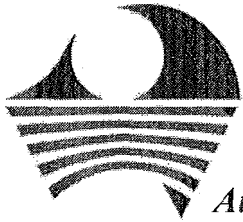
If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at cynthia.lobooth@fwa.gov.au

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

FR2010/2774



Australian Principals Federation



APF

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North Melbourne Vic 3051
Phone: 03 9320 7100
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Certificate of Secretary or Other Authorised Officer
2009-10 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 5 November 2010 and
- that the full report was presented to a meeting of the Committee of Management on 26 November 2010

(APF Federal President)

Date: 12 December 2010



**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE YEAR ENDING 30TH JUNE 2010

Principal Activities

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

The APF registration was reinstated under the *Fair Work Act 2009* and deemed continuous since it was first granted on 30 January 2006.

The Federal President and Victorian Branch Vice President continued to make well received presentations to the Executives of both the *Australian Secondary Principals Association (ASPA)* and *Australian Primary Principals Association (APPA)* concerning future industrial representation for Principal Class Officers in all states and territories in Australia. The Federal President also made presentations to Principal Associations of Tasmania and Queensland.

On the 25th June, 2010 the Federal President, Fred Wubbeling retired. In accordance to Section 22 (b) and (c) of the Certified Rules of the APF, David Finnerty was appointed Federal President from the 26th June 2010 to 31 December 2010.

Significant Changes

Branch membership of Western Australia continues to grow whereas Victorian membership trends have continued to decline.

The increase in our membership base remains a challenge in Victoria. However there is cause for cautious optimism and belief that this trend can be reversed in the coming years.

Increasingly Principal Class officers are becoming aware of the need for an industrial organisation to safeguard and promote their interests. As one of the most devolved education systems in the Organisation for Economic Co-operation and Development (OECD), and yet paradoxically, as one of the most bureaucratised, the Victorian system presents escalating challenges for Principal Class Officers. The corollary of intense and unrelenting demands for policy implementation by Principal Class Officers has resulted in a system where practical support from the employer is increasingly acknowledged as wanting at best, and more widely perceived as non-existent. Principal Class Officers are increasingly reporting a sense of being isolated, marginalised and forgotten by the employer. Furthermore, as the gulf between the interests of teachers and Principal Class Officers has become more apparent the latter have increasingly sought interest and advice from our organisation. More significantly, whilst such officers have been members of professional associations there is a wider recognition that industrial protection from the APF is increasingly needed and is a separate function to the services provided by a professional body.

The renewed interest in membership is partly a result of Principal Class Officers recognising that they work in a system characterised by driven demands for policy change and implementation, and the concomitant potential for conflict at a range of levels. Already this has resulted in an increase in interest for membership towards the end of the reporting period. We expect that this will continue into the future.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE YEAR ENDING 30TH JUNE 2010

Significant Changes (continued)

A range of initiatives are expected to contribute positively to the operational viability of the Australian Principals Federation in the next reporting period. These include but are not limited to:

- the provision of an updated interactive website;
- an interest in establishing relationships and ultimately a demand for Branches to be established in other States. This has been particularly evident from dialogue undertaken with personnel from NSW, Tasmania, South Australia and Queensland;
- improvements in documentation and support to State Councillors and members;
- the establishment of a range of representational, advocacy and reporting arrangements at the bureaucratic and political levels;
- membership drive with high levels of presence and connectedness.

Furthermore, as a result of the application of Section 26A of the *Fair Work Australia Act 2009* the Australian Principals Federation has been continually registered since January 2006. This is not insignificant in reflecting the industrial status of our organisation, nor in communicating with confidence our capacity to represent the industrial interests of Principal Class Officers into the future.

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 2010 was 1,652.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

OPERATING REPORT FOR THE YEAR ENDING 30TH JUNE 2010

Committee of Management (APF Federal Council)

For the entirety of the financial year, 1 July 2009 to 30 June 2010, the individuals listed below held office of the Australian Principals Federation – Federal Council unless otherwise stated.

Name	Sector	Constituency
Christopher Cotching	Primary	Statewide Victorian
Peter Kearney	Primary	Statewide Victorian
Kevin Mackay	Primary	Statewide Victorian
David Finnerty	Secondary	Statewide Victorian
Fred Wubbeling (retired 25 June 2010) John Pryor (elected under Section 22(b))	Secondary	Statewide Victorian
Rosemary Simpson	Primary	Statewide Western Australian
Noel Strickland	Primary	Statewide Western Australian
Peter Fitzgerald	Secondary	Statewide Western Australian



David Finnerty
President
3 September 2010

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010	2009
INCOME	\$	\$
Capitation Fees		
- Western Australia	3,625	7,059
- Victoria	4,595	12,070
Reimbursements	662	-
Interest	16	-
	-----	-----
	8,898	19,129
	-----	-----
LESS EXPENDITURE		
Travel and Accommodation	4,120	6,867
Meeting Expenses	518	1,596
Bad Debts	363	-
	-----	-----
	5,001	8,463
	-----	-----
Other Comprehensive Income		
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	-	-
	-----	-----
OPERATING (LOSS) PROFIT FOR THE YEAR	3,897	10,666
	=====	=====

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010**

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash		5,261	3,310
Receivables		10,593	9,418
		-----	-----
TOTAL CURRENT ASSETS		15,854	12,728
		-----	-----
TOTAL ASSETS		15,854	12,728
		-----	-----
CURRENT LIABILITIES			
Creditors		-	1,327
GST Liabilities		1,291	735
		-----	-----
TOTAL CURRENT LIABILITIES		1,291	2,062
		-----	-----
TOTAL LIABILITIES		1,291	2,062
		-----	-----
NET ASSETS		14,563	10,666
		=====	=====
MEMBERS' EQUITY			
Retained Profit		14,563	10,666
		=====	=====

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from capitation fees		7,723	9,711
Payments to suppliers		(5,772)	(6,401)
Net cash provided by (used in) operating activities	2	1,951	3,310
Net increase (decrease) in cash held		1,951	3,310
Cash at the beginning of the financial year		3,310	-
Cash at the end of the financial year		5,261	3,310

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
Total equity at the beginning of the financial year	10,666	-
Operating Profit for the year	3,897	10,666
Total equity at the end of the financial year	<u>14,563</u>	<u>10,666</u>

The accompanying notes form part of this financial report.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2010**

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 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 2010**

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 goods and 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 2010 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	2010	2009
	\$	\$
Reconciliation of Net Cash Provided by Operating Activities with Net Income		
Net Income/(loss)	3,897	10,666
Changes in assets and liabilities		
Decrease/(increase) in receivables	(1,175)	(9,418)
Increase/(decrease) in creditors	(1,327)	1,327
Increase/(decrease) in GST Liabilities	556	735
	-----	-----
Net Cash provided by (used in) operating activities	1,951	3,310
	=====	=====

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010**

3. REMUNERATION OF AUDITORS	2010	2009
	\$	\$
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		
Audit and review of financial reports and other audit work	990	990
	<u>990</u>	<u>990</u>

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.

5. EMPLOYEES

The Federation employed no employees at 30th June 2010.

**THE AUSTRALIAN PRINCIPALS FEDERATION
FEDERAL OFFICE**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

On 3 September 2010 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 2010.

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
President
3 September 2010

**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 2010. The financial report includes the financial statements of the Federation and the Committee of Management Statement. 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 2010 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
3 September 2010



Frequently Asked Questions

FAQs Business Stationery

Can I use the Chartered Accountants logo?

For members in public practice in chartered firms the Chartered Accountant logo is a representation of their designation CA or FCA.

Both the designation and logo should not be used to infer that a member is in public practice where a Certificate of Public Practice (CPP) is not currently held.

Members who do not hold a CPP themselves, or are not representing a chartered firm, are not permitted to use the Chartered Accountants logo on their business card as such use may mislead the public and infer that the organisation is offering services to the public.

How may I highlight professional services offered by my firm?

You may include in letterheads any description of professional services you offer, in respect of which you (or your partners) have the technical ability and experience.

You are encouraged to use the description "Chartered Accountant(s)" with other designations and/or professional descriptions, if you are entitled to do so under R9/1205. For example, "Chartered Accountants and Business Advisers"; Chartered Accountants and Financial Planning Specialists.

Does the Institute restrict how I can describe my services?

Yes, these are limited to descriptions of professional services in respect of which you (or your partners) have the technical ability and experience.

How do I display my designation?

Individual members can use:

CA
FCA

Affiliate members can use:

Affiliate ICAA

If you are an affiliate member and you wish to display your name on your firm letterhead then the letterhead must display:

- your membership of the Institute (viz. Affiliate ICAA) and other professional body, if any;



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