



**Australian Government**

**Australian Industrial Registry**

Level 4, 11 Exhibition Street  
Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6812

Mr Peter Alexander  
President  
Police Federation of Australia  
Level 1  
21 Murray Crescent  
GRIFFITH ACT 2603

Dear Mr Alexander,

**Police Federation of Australia  
Financial Reports for the Year Ended 30th June 2006 – FR2006/445  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Police Federation of Australia for the year ended 30<sup>th</sup> June 2006. The documents were lodged in the Industrial Registry on 11<sup>th</sup> December, 2006.

The documents have been filed.

I make the following comments to assist you when next preparing financial reports. You do not need to take any further action in respect of the financial documents already lodged.

**Accounting Officer's Certificate**

The Accounting Officer's Certificate was a document required under the former financial reporting requirements of the WR Act. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

**Notice under Section 272(5) of the RAO Schedule**

Note 2 includes what is intended to be an extract of subsections 272(1), (2) and (3) of the RAO Schedule. What is included, however, is an extract of section 274 of the WR Act as it existed prior to the introduction of the RAO Schedule.

With the introduction of the RAO Schedule, the wording and section numbering have changed. You are therefore requested in future to set out the subsections word for word as follows:

***272 Information to be provided to members or Registrar***

*(1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.*

*(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.*

*(3) A reporting unit must comply with an application made under subsection (1).*

*Note: This subsection is a civil penalty provision (see section 305).*

**General Purpose Financial Report (GPFR)**

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- employment benefits paid to office holders (11(g));
- employment benefits paid to employees (other than office holders) (11(h));
- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

Each of these items must be *separately* disclosed.

### Employee Benefits

It is insufficient to group employment benefits paid to *office holders* and to *employees* under the one item (as has occurred in the Income and Expenditure Statement where items of expenditure have been listed as 'Annual leave', 'Long service leave', 'Salary & packaging' and 'Superannuation').

Item 28 of the Reporting Guidelines defines 'employee benefits' as meaning *all forms of consideration given by the reporting unit in exchange for services rendered by holders of office or employees*. The Registrar is of the view that annual leave, long service leave, salaries and superannuation all fall within the definition of an 'employee benefit' and should therefore be separately itemised according to whether they were paid to *office holders* or to *employees*.

A good example of a set of accounts which has been prepared in accordance with the Guidelines is the accounts of the National Council of the Australian Federal Police Association Branch of the Police Federation of Australia (see Note 4 of their accounts). You can view these accounts on the Registry's website at <http://www.e-airc.gov.au/200Vafpb>.

In the event that employment benefits only relate to one category of persons (whether *office holders* or *employees*) the accounts should clearly indicate which category applies.

### Conferences

Note 13 itemises 'Conference expenses' (in accordance with Item 11(k) of the Guidelines) but there is also a figure for 'Delegation expenses' in the Income and Expenditure Statement. If any of the expenses included in this latter category include expenses relating to *fees and/or allowances paid for attendance at conferences* then you are requested to separately disclose them in future years.

### **Timing of Financial Documents - Lodgement of Documents in the Registry**

Section 268 of the RAO Schedule requires the Branch to lodge its financial documents with the Registry within 14 days of the date of the Federal Council meeting at which they were presented (that is, by 24<sup>th</sup> November, 2006). The documents were not lodged with the Registry, however, until 11<sup>th</sup> December, 2006. You are requested to lodge documents within the 14 day period in future.

Please do not hesitate to contact me by email at [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au) or on (03) 8661 7817 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/200Vfed>.

Yours sincerely,



for  
Robert Pfeiffer  
Statutory Services Branch

2 February 2007



Police Federation  
of Australia

ABN 31 384 184 778

Level 1, 21 Murray Crescent  
GRIFFITH ACT 2603

Tel: (02) 6239 8900

Fax: (02) 6239 8999

16 November 2006

Mr Robert Pfeiffer  
Statutory Services Branch  
Australian Industrial Registry  
Level 35, Nauru House  
80 Collins Street  
MELBOURNE VIC 3001

Dear Mr Pfeiffer

**Designated Officer's Certificate**

I, Peter Alexander, being the President of the Police Federation of Australia, certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 17 October 2006; and
- That the full report was presented to the annual meeting of the Police Federation of Australia Federal Council held in Hobart on 9 & 10 November 2006, in accordance with section 266 of the RAO Schedule.

Yours sincerely

Peter Alexander  
President

POLICE FEDERATION OF AUSTRALIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2006

Police Federation of Australia

Committee of Management's Certificate

On the 11th day of September 2006, the Committee of Management of the Police Federation of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006.

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 Federation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Federation including the rules of the branch 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 financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Federation; and
  - (v) 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
  - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: Michael Dean

Treasurer



Signature:

Date: 11<sup>th</sup> day of September 2006

## Police Federation of Australia Operating Report (OPR)

- a) The PFA's principal activities throughout the year were determined by the 2005 Federal Council Meeting and have been coordinated by the Federal Executive.

Those activities included a number of issues as outlined in the PFA's Strategic Plan and reported on in detail in the 2005/06 Annual Report. They included:

- An exemption from Superannuation Preservation Age requirements for police
- The development of policing from an occupation to a profession by continued participation in the Australasian Police Professional Standards Council (APPSC)
- The development of a Police Overseas Deployment Bill to cover workers compensation & rehabilitation arrangements for Australian police attached to the International Deployment Group (IDG)
- Development of a National Police Memorial
- Greater Federal funding of Australia's State, Territory and Federal jurisdictions
- Issues of Reportable Fringe Benefits Tax (RFBT) that are unfairly impacting on Australian police
- A \$17,000 capped Fringe Benefit Tax exemption as provided to public hospital nurses and ambulance officers
- Outstanding issues surrounding the International Deployment Group (IDG)
- Protecting and improving members terms and conditions of employment and their rights and entitlements
- The development of Police Unions in the South Pacific
- The impact of proposed federal industrial relations changes on police
- Submissions to Parliamentary Inquiries including
  - Senate Employment Workplace Relations and Education committee Inquiry into Workplace Relations Amendment (WorkChoices) Bill 2005
  - Senate Inquiry into Defence Legislation Amendments (Aid to Civilian Authorities) Bill 2005
  - Joint Committee on Foreign Affairs, Defence and Trade Inquiry into Australia's Regional Strategic Defence requirements
  - Australian Commission for Law Enforcement Integrity (ACLEI)
- Submissions to the Commissioner's Conference (PCC), the Australasian Police Ministers' Council (APMC) and the Senior Officers' Group (SOG)
- Participation in the International Law Enforcement Council (ILEC) working group
- Submissions and debates on the impact and responses to terrorism on policing and the Australian community.

- b) There have been no significant changes in the financial affairs of the PFA during the past year

- c) A member may resign from membership of the Federation by notice in writing addressed and delivered to the Secretary of the member's Branch, Zone Secretary or Chief Executive Officer, as per PFA Rule 11 (b)

- d) No officers of the PFA hold any position in relation to Superannuation entities

- e) Prescribed information as per Regulation 159

- i. At the 30 June 2006 the PFA had 40,797 members
- ii. At 30 June 2006 the PFA had three (3) employees
- iii. Committee of Management 1/7/05 – 30/6/06

Peter Alexander (South Australia)  
Jon Hunt Sharman (Australian Federal Police)  
Vince Kelly (Northern Territory)  
Michael Dean (Western Australia)  
Bob Pritchard (New South Wales)  
Janet Mitchell (Victoria)

Randolph Wierenga (Tasmania)

A handwritten signature in black ink, appearing to read "Peter Alexander". The signature is written in a cursive style with a long horizontal stroke at the end.

For Committee of Management: Peter Alexander  
President

Dated this 11th day of September 2006

POLICE FEDERATION OF AUSTRALIA

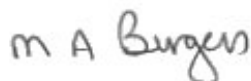
ACCOUNTING OFFICER'S CERTIFICATE

I, Mark Burgess, being the Officer responsible for keeping records of the Police Federation of Australia, certify that as at 30 June 2006, the number of members of the Federation was - 40797.

In my opinion:

- (i) The attached accounts show a true and fair view of the financial affairs of the Federation as at 30 June 2006.
- (ii) A record has been kept of all the monies paid by, or collected from members and all monies paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Federation.
- (iii) Before any expenditure was incurred by the Federation, approval of the incurring of the expenditure was obtained in accordance with the rules of the Federation.
- (iv) With regard to funds of the Federation raised by compulsory levies or voluntary contributions from members, or funds other than the general fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Federation, were made to persons holding office in the Federation.
- (vi) The register of the Federation was maintained in accordance with the Workplace Relations Act, 1996.
- (vii) The attached Accounts have been prepared in accordance with applicable Australian Accounting Standards.

SIGNED AT SYDNEY this 11th day of September 2006



MARK BURGESS



POLICE FEDERATION OF AUSTRALIA  
INDEPENDENT AUDIT REPORT

To the members of the Police Federation of Australia

SCOPE

I have audited the financial statements of the Police Federation of Australia for the year ended 30 June 2006. The Federation's Committee of Management is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Federation.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and The Workplace Relations Act 1996 so as to present a view of the Federation which is consistent with my understanding of its financial position and the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

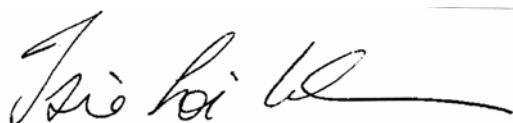
AUDIT OPINION

In my opinion:

- (i) There were kept by the Federation in respect of the year, satisfactory accounting records detailing the sources and nature of income of the Federation [including income from members] and the nature and purposes of expenditure; and
- (ii) The accompanying accounts and statements being the Statement of Income and Expenditure, Balance sheet, Statement of Cash Flows, Notes to and Forming Part of the Accounts, Accounting Officers Certificate and Committee of Managements certificate have been prepared in accordance with Section 273 of the Workplace Relations Act 1996 and are properly drawn up so as to fairly present:
  - [a] The state of affairs of the Federation as at 30 June 2006; and
  - [b] The income and expenditure and surplus of the Federation for the year ended on that date;
- (iii) The accounts have been prepared in accordance with applicable Accounting Standards.

Where necessary, I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my Audit.

SIGNED AT SYDNEY this 11th day of September 2006



LOI KAH TSIA, B. Com., F.C.A.  
Chartered Accountant  
Registered Company Auditor  
Suite 201, 2<sup>nd</sup> Floor  
309 Pitt Street  
SYDNEY NSW 2000

Police Federation of Australia  
Balance Sheet as at 30 June 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
<u>Accumulated Funds</u>		<u>\$619953</u>	<u>\$557042</u>
<u>Represented by</u>			
<u>Current Assets</u>			
PCU Easy Access account	3	\$25290	\$127820
PCU Savings accounts	3	98971	120744
PCU membership fees	3	10	10
Cash on hand	4	15	23
Amounts due from branches	5	22659	8640
		<u>146945</u>	<u>257237</u>
<u>Non Current Assets</u>			
Property - 21 Murray Crescent Griffith ACT - At Cost	6	1016581	1016581
Plant & Equipment		28957	
Less provision for depreciation		<u>18893</u>	10986
Motor vehicle		41742	
Less provision for depreciation		<u>9653</u>	38350
		<u>1058734</u>	<u>1065917</u>
Total Assets		<u>1205679</u>	<u>1323154</u>
<u>Less Current Liabilities</u>			
Trade creditors and accruals	7	32796	47207
PCU loan secured over property	6	488795	574788
Provision for annual leave	8	24953	18965
Provision for long service leave	9	30546	25152
Provision for GST		8636	-
National Police Memorial Trust Fund	10	-	100000
Total liabilities		<u>585726</u>	<u>766112</u>
Net Assets		<u>\$619953</u>	<u>\$557042</u>

Police Federation of Australia  
Income & Expenditure Account  
For the Year Ended 30 June 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
<u>Income</u>			
Affiliation fees from branches		688147	689222
Interest received		4635	6843
Rents received		39980	36846
Government grant – Research		3000	-
		<u>\$735762</u>	<u>\$732911</u>
<u>Less expenditure</u>			
Audit and accounting fees	11	22650	21350
Annual leave	8	16768	17855
ACTU Affiliation fees	12	62437	149661
Bank charges and duties		133	211
Computer and website design		27438	20180
Delegation expenses	13	164384	189160
Depreciation		8383	7780
FBT		33458	40137
General office expenses	14	19270	11652
Insurances		8166	7203
Legal fees		12233	3650
Long service leave	9	5394	7985
Loss on disposal of assets		-	4687
Motor vehicle expenses		6553	5608
National Memorial expenses	15	15376	6062
Property expenses	16	66672	64268
Salary & packaging		171404	121621
Superannuation		22641	14610
Telephone		9491	10327
Total Expenditure		<u>672851</u>	<u>704007</u>
Net Surplus for the year		62911	28904
Accumulated funds at beginning of year		<u>557042</u>	<u>528138</u>
Accumulated funds at end of year		<u>\$619953</u>	<u>\$557042</u>

POLICE FEDERATION OF AUSTRALIA  
NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2006

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views). The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or except where stated, current valuations of now current assets. Cost is based on the fair values of the consideration given in exchange of assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements.

- (a) Depreciation  
Depreciation of fixed assets is calculated on the straight line method in order to write off the assets over their useful lives.
- (b) Employee Entitlements  
Provisions for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment. Long Service Leave has been calculated with reference to period of service and current salary rates. Contributions are made by the entity to an employee superannuation fund and are charged as expense when incurred.
- (c) Leases  
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.
- (d) Income Tax  
No provision for Income Tax expense has been brought to account as the income of the Federation is exempt from Income Tax under Sections 50-15 of the Income Tax Assessment Act 1997.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1966, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 274 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under Sub-Section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under Sub-Section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

3. Statement of Cash Flows  
For the Year Ended 30 June 2006

	<u>2006</u>	<u>2005</u>
<u>Cash Reconciliation</u>		
For the purpose of the Statement of Cash Flows, cash at the end of the financial year is reconciled to the following items in the Balance Sheet.		
Cash with financial institutions	<u>\$124271</u>	<u>\$248574</u>
<u>Cash Flow from Operating Activities</u>		
GST Received	72915	74942
Receipts from Members	673004	708373
Interest Received	4634	6843
Rents Received	39980	36846
Other Refunds – Government grant	33841	22842
Fund Held in Trust for National Police Memorial contributed by WAPU	-	100000
Total Cash Received	<u>824374</u>	<u>949846</u>
<u>Less Cash Flow from Investing &amp; Financial Activities</u>		
Payment of GST Expenses	64579	48882
Payment of Employee's Entitlement	200115	134153
Payment of Loans to PCU	120000	120000
Payment of ACTU Affiliation Fee	62437	149661
Payment of Purchase of Office Equipment	1200	-
Payment of Motor Vehicle	-	41742
Payment of Other Expenses	366889	332490
Payment of FBT	33457	40137
Payment of fund held in Trust	100000	-
Total Expenditure	<u>948677</u>	<u>867065</u>
Net Increase (Decrease) in Cash Held	(124303)	82781
Cash at the Beginning of Financial Year	<u>248574</u>	<u>165793</u>
Cash at the End of the Financial Year	<u>\$124271</u>	<u>\$248574</u>

Police Federation of Australia  
Notes To and Forming Part of the Account  
For the Year Ended 30 June 2006

	<u>2006</u>	<u>2005</u>
<u>4. Cash on Hand</u>		
Petty Cash	<u>\$15</u>	<u>\$23</u>
<u>5. Amount due from branches</u>		
Queensland Police Union	11060	-
Police Association of Northern Territory	-	1696
Police Association of South Australia	5009	5268
Police Association of Victoria	-	1676
Police Association of New Zealand	5145	-
Police Association of Tasmania	1445	-
	<u>\$22659</u>	<u>\$8640</u>
<u>6. Property-at-cost</u>		
21 Murray Crescent Griffith ACT		
Settled on 24.1.2003	<u>\$1016581</u>	<u>\$1016581</u>
<u>7. Creditors and accruals</u>		
PAYG re staff wages	10796	6087
Audit & accounting fees	22000	19630
Various expenses	-	21931
Provision for GST	-	(441)
	<u>\$32796</u>	<u>\$47207</u>
<u>8. Provision for Annual Leave</u>		
Balance as at 1.7.2005	18965	13488
Add additional provision for the year	16768	17855
	<u>35733</u>	<u>31343</u>
Less paid during the year	10780	12378
Balance as at 30.6.2006	<u>\$24953</u>	<u>\$18965</u>
<u>9. Provision for Long Service Leave</u>		
Balance as at 1.7.2005	25152	17167
Add additional provision for the year	5394	7985
Balance as at 30.6.2006	<u>\$30546</u>	<u>\$25152</u>
<u>10. National Police Memorial Trust Fund</u>		
The amount is held in trust		
- the fund is contributed by WAPU	<u>-</u>	<u>\$100000</u>
<u>11. Auditor's Remuneration</u>		
Audit fees	7500	7500
Other services	15150	13850
	<u>\$22650</u>	<u>\$21350</u>

	<u>2006</u>	<u>2005</u>
<u>12. ACTU Affiliation Fees</u>		
Normal affiliation fee	62437	59630
ACTU media campaign re proposed changes to Industrial relation law by Federal Government	-	90031
	<u>\$62437</u>	<u>\$149661</u>
<u>13. Delegation Expenses</u>		
Consultancy fees	19009	43035
Conference expenses	72296	55230
Executive expenses	41707	59076
Lobbying expenses	-	2167
IPC	22154	13799
WAC	2292	9079
APPSC/PSITAB	6926	6774
	<u>\$164384</u>	<u>\$189160</u>
<u>14. General Office Expenses</u>		
Australian Defence Association	-	91
Filing fees	464	323
Police Superannuation Administrative fees	223	229
Printing, stationery & postage	9388	6355
Sundry office	9195	4654
	<u>\$19270</u>	<u>\$11652</u>
<u>15. National memorial Expenses</u>		
Badges & other	5449	-
Graphic design website expenses	5132	394
Executive expenses	1765	515
Legal fees	3030	5048
Filing fees	-	105
	<u>\$15376</u>	<u>\$6062</u>
<u>16. Property Expenses</u>		
Cleaning & waste disposals	2470	2877
Council rates	5610	5075
Insurance - building	1737	1722
Interest - PCU	34007	39260
Land tax	5930	5829
Light & power	2051	1892
Pest control	-	164
Repairs & maintenance	13041	5694
Security	541	540
Water rates	1285	1215
	<u>\$66672</u>	<u>\$64268</u>