



# **FIRE AND EMERGENCY SERVICES**

## **SUPERANNUATION BOARD**

**ANNUAL REPORT**

**2009**

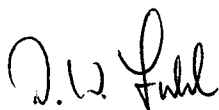
ABN 55 476 454 384  
AFS Licence No. 259671  
APRA Licence No. L0001700  
APRA Registration No. R1055917

242 Rokeby Road  
SUBIACO WA 6008  
Telephone: (08) 9382 8444  
Facsimile: (08) 9382 8464

**To the Honourable Rob Johnson MLA**  
**Minister for Police; Emergency Services; Road Safety**

**In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Fire and Emergency Services Superannuation Board for the financial year ended 30 June 2009.**

**The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.**



**D W FULCHER**  
**BOARD MEMBER**  
**22 September 2009**



**A B RUTTER**  
**CHIEF FINANCE OFFICER**  
**22 September 2009**

# **FIRE AND EMERGENCY SERVICES**

## **SUPERANNUATION BOARD**

### **REPORT ON OPERATIONS FOR YEAR ENDING 30 JUNE 2009**

#### **CONSTITUTION**

The Fire and Emergency Services Superannuation Board was constituted on 3 November 1986 to administer the Fire and Emergency Services Superannuation Fund.

#### **MINISTER**

The responsible Minister is the Minister for Police; Emergency Services; Road Safety who, at 30 June 2009 was:

The Hon. Rob Johnson MLA  
Minister for Police; Emergency Services; Road Safety  
20<sup>th</sup> Floor  
197 St George's Terrace  
PERTH WA 6000 Phone: (08) 9222 9211

#### **ENABLING LEGISLATION**

The administration of the Superannuation Fund is established under the Fire and Emergency Services Superannuation Act 1985 and Fire and Emergency Services (Superannuation Fund) Regulations 1986.

#### **LEGISLATION ADMINISTERED**

The Board is responsible for the administration of the enabling legislation.

#### **LEGISLATION IMPACTING ON THE BOARD'S ACTIVITIES**

##### **State**

The Board is responsible for complying with a wide range of State legislation, which primarily sets minimum prudential standards of conduct. These were:

Anti-Corruption Commission Act 1988  
Auditor General Act 2006  
Corporations (Western Australia) Act 1990  
Electoral Act 1907  
Equal Opportunity Act 1984  
Financial Management Act 2006  
Fire and Emergency Services (Superannuation Fund) Regulations 1986  
Fire and Emergency Services Superannuation Act 1985  
Freedom of Information Act 1992  
Industrial Relations Act 1979  
Interpretation Act 1984  
Minimum Conditions of Employment Act 1993  
Occupational Safety and Health Act 1984  
Public Sector Management Act 1994  
Stamp Act 1921  
State Records Act 2000  
State Supply Commission Act 1991  
Trustees Act 1962  
Workers' Compensation and Injury Management Act 1981

## **Federal**

The Commonwealth legislative compliance requirements are comprised of the following:

Anti-Money Laundering and Counter-Terrorism Financing Act 2006  
Australian Prudential Regulation Authority Act 1998  
Corporations Act 2001  
Family Law Act 1975  
Family Law (Superannuation) Regulations 2001  
Finance Sector (Collection of Data) Act 2001  
Financial Services Reform Act 2001  
Income Tax Assessment Act 1936  
Privacy Act 1988  
Sex Discrimination Act 1984  
Superannuation (Resolution of Complaints) Act 1993 and Regulations  
Superannuation Contributions Tax (Assessment and Collection) Act 1997  
Superannuation Guarantee (Administration) Act 1992  
Superannuation Guarantee Charge Act 1992  
Superannuation Industry (Supervision) Act 1993 and Regulations

## **OBJECTIVES AND FUNCTIONS OF THE BOARD**

The objectives and functions of the Board are to administer, invest and manage the Fire and Emergency Services Superannuation Fund.

## **ACCOUNTABLE AUTHORITY**

The Accountable Authority is the Fire and Emergency Services Superannuation Board.

## **OPERATIONAL STRUCTURE**

The Board is responsible for the management of the Fund and in accordance with the provisions of the Act, a Secretary to the Board is appointed. The Secretary is nominated as the Chief Finance Officer under the constraints of the Financial Management Act 2006. The administration of the Fund is carried out by the staff of the Superannuation Board, who are:

Secretary: Mr A B Rutter - appointed 8 May 2001

Administration Officer: Mrs S L Handley

## **MEMBER ENQUIRIES**

Members should address correspondence and enquiries to:

The Secretary  
Fire and Emergency Services Superannuation Board  
242 Rokeby Road  
SUBIACO WA 6008

Telephone: – (08) 9382 8444

Facsimile: – (08) 9382 8464

Email: – admin@fessuper.com.au

## **PERSONS OR SECTIONS OF COMMUNITY SERVED BY THE BOARD**

Membership of the Fire and Emergency Services Superannuation Fund, which primarily is a lump sum defined benefit fund, is compulsory for all permanent employees of the:

- Fire and Emergency Services Authority of Western Australia; (**unless the employee is eligible to become or remain a member of the Government Employees Superannuation Scheme:**)
- Fire and Emergency Services Superannuation Board;
- United Firefighters Union of Western Australia; and
- Western Australian Volunteer Fire Brigades Association (Inc).

## **BOARD MEMBERS**

**The three members appointed by the Fire and Emergency Services Authority of Western Australia as at 30 June 2009 are:**

- |                     |  |
|---------------------|--|
| <b>MR H KUHAUPT</b> | (Chairman) – Public Accountant – has been a member since 3 November 1986 and his current appointment expires on 18 August 2010.  |
| <b>MR D BARTON</b>  | Actuary and Investment Consultant – has been a member since 3 November 1986 and his current appointment expires on 18 August 2011.   |
| <b>MR D FULCHER</b> | Employee of the Fire and Emergency Services Authority of Western Australia – has been a member since 19 August 2008 and his current appointment expires on 18 August 2009. |

**The three members elected by the members of the Fund as at 30 June 2009 are:**

- |                      |  |
|----------------------|--|
| <b>MR G CLIFFORD</b> | Station Officer – has been a member since 19 August 1993 and his current appointment expires on 18 August 2011.          |
| <b>MR M OSBORN</b>   | Retired District Officer – has been a member since 19 August 1994 and his current appointment expires on 18 August 2009. |
| <b>MR B WEIR</b>     | Station Officer – has been a member since 19 August 2004 and his current appointment expires on 18 August 2010.          |

## **ALTERNATE MEMBERS**

**The three alternate members appointed by the Fire and Emergency Services Authority of Western Australia as at 30 June 2009 are:**

- |                      |   |
|----------------------|---|
| <b>MR F FORTUNA</b>  | Employee of the Fire and Emergency Services Authority of Western Australia – appointed from 19 August 2008 and his current appointment expires on 18 August 2010. |
| <b>MR F PASQUALE</b> | Employee of the Fire and Emergency Services Authority of Western Australia – appointed from 27 August 2007 and his current appointment expires on 18 August 2009. |
| <b>MR D WATKINS</b>  | Employee of the Fire and Emergency Services Authority of Western Australia – appointed from 19 August 2008 and his current appointment expires on 18 August 2011. |

**The one alternate member elected by the members of the Fund as at 30 June 2009 is:**

- |                     |  |
|---------------------|--|
| <b>MR B LONGMAN</b> | Station Officer – was re-elected for the year to 18 August 2009. |
|---------------------|--|

## **CONSULTANTS TO THE BOARD**

The Board retains the following consultants to provide advice as and when required:

- Jones Lang LaSalle** – Direct Property Advice.  
**Prescott Securities** – Fixed Interest Securities Advice.  
**PricewaterhouseCoopers** – Actuarial and General Investment Advice.  
**Sharyn Long Chartered Accountants** – Accounting and Taxation Advice.

## **TAXATION & COMPLIANCE**

The Superannuation Industry (Supervision) Act 1993 and Regulations (SIS) came into effect on 1 July 1994. The Board has made an irrevocable election for the Fund to be regulated under the SIS legislation. The Fund's auditors have not identified any breaches to the requirements and thus the concessional taxation treatment of the Fund remains in place.

## **AUDIT**

During the year under review, PKF Chartered Accountants, the Board's appointed Internal Auditor, carried out a review of the Fund's management and financial information systems and reported that the internal controls were adequate.

The Office of the Auditor General audits the Fund's Accounts and Performance Indicators under the provisions of the Financial Management Act 2006.

## **TRUSTEE INDEMNITY INSURANCE**

The Directors and Employees of the Board are covered by an indemnity insurance policy to cover possible claims made against them as Directors and Employees.

## **ELECTORAL ACT**

In accordance with Section 175ZE of the Electoral Act 1907 and Treasurer's Instruction 903, the Superannuation Board is required to disclose details of expenditure incurred during the year in relation to the following items:

<b>Advertising Agencies</b>	Nil
<b>Market Research Organisations</b>	Nil
<b>Polling Organisations</b>	Nil
<b>Direct Mail Organisations</b>	Nil
<b>Media Advertising Organisations</b>	Nil

## **PUBLICATIONS**

The Board produces and makes available to members the following publications. They are provided to assist members in understanding their options and entitlements, and to encourage consolidation of superannuation accounts into the Fire and Emergency Services Superannuation Fund.

- Product Disclosure Statement (Member Booklet)
- Members Newsletter
- Report to Members
- Annual Report
- Member Statements
- Fire and Emergency Services Superannuation Act and Regulations
- Actuarial Statements and APRA Notices

## **FREEDOM OF INFORMATION (FOI)**

Under section 96 of the Freedom of Information Act 1992, the Superannuation Board is required to publish an information statement that provides background on the operations of the Board, describes the documents held and the way in which the public can access information. It is the aim of the Board to make information available promptly and at the least possible cost.

There were no applications received during the year.

## **MEMBER COMPLAINTS**

The Board has procedures in place to deal with any query or complaint a member may raise in relation to their superannuation. All complaints need to be put in writing to the Secretary.

There were no complaints received during the year.

## **EXTERNAL COMPLAINTS TRIBUNAL**

If a member is not satisfied with the handling of a complaint or the Board's decision, they may contact the Superannuation Complaints Tribunal.

The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with fund trustees.

The Tribunal may be able to assist the member to resolve their complaint, but only if the member has made use of the Board's own inquiries and complaints procedures. If the Tribunal accepts the member's complaint, it will attempt to resolve the matter through conciliation, which involves assisting the parties to come to a mutual agreement. If conciliation is unsuccessful, the complaint may be referred to the Tribunal for a determination which is binding.

For more information on the Tribunal and the type of information that needs to be provided, the Tribunal can be contacted on 1300 780 808 for the cost of a local call anywhere in Australia.

If assistance is required to make a complaint, contact the Fund Secretary.

## **PROPOSED LEGISLATIVE CHANGES**

The Board is currently in the process of finalising the following changes to the Fire and Emergency Services (Superannuation Fund) Regulations 1986. The Minister has approved the changes.

1. Introduce Binding Death Benefit Nominations. A Binding Nomination is binding on the Board in that the Board is required to consent to the member's nomination and cannot exercise its discretion as whether to follow the nomination.
2. Introduce Anti-Detriment Payments on behalf of deceased accumulation members. An anti-detriment payment is an additional payment of death benefits made by the Fund, on behalf of a deceased member. The purpose of the additional payment is to compensate monies paid as tax on contributions by the member since July 1988.

## INVESTMENTS

Full details of the investments of the Fund are provided in the attached accounts.

## INVESTMENT POLICY

In accordance with the requirements of the Superannuation Industry (Supervision) Act 1993 (section 52(2)), the Board has formulated the following investment policy:

### Objective

To achieve a minimum rate of return of 2% above the increase in the members' 3 year average salaries over rolling ten-year periods.

### Strategy

To invest predominantly with external fund managers, but with a proportion of the Fund being invested by the Board.

### Constraints

1. The total investment allocation ranges and long term benchmark of the Fund is as follows:

	RANGES	BENCHMARK
Australian Shares	20% - 50%	30%
Overseas Shares	5% - 35%	20%
Property	5% - 25%	15%
Aust. Fixed Interest	10% - 40%	27%
Overseas Fixed Interest	0% - 10%	5%
Alternative Assets	0% - 10%	3%
Cash	0% - 60%	0%

2. The Fund will target the above exposures, within a tolerance level of +/- 2%. The appropriateness of this strategy will be re-assessed every 3 years (last reviewed May 2009).
3. The number of external "core" Investment Managers is not to exceed ten (10).
4. The level of funds allocated to any individual external Fund Manager is to be limited to a maximum of 35% of the Fund's Total Assets.
5. The level of investments in directly held property and managed by the Board is not to exceed 10% of the Fund's Total Assets.
6. No **new single** investment of any nature is to exceed 5% of the Fund's Total Assets.
7. The maximum amount invested in both Australian and Overseas shares is not to exceed 70% of the Fund's assets.
8. Investments by the Board in short term Bank Bills are to be confined to banks with a short term S & P Australian Ratings of not less than A1. Between 1 January 2009 and 11 October 2011 investments in short term Bank Bills can be with a bank with a short term S & P Australian Ratings less than A1 provided the investment is less than \$1 million.
9. Investments by the Board in short term Variable Rate Notes are to be confined to banks, building societies or credit unions; or securities with a short term S & P Australian Ratings of not less than BBB-; or as approved by the Board on the advice of Prescott Securities.



10. Investments in alternative assets must, unless otherwise determined by the Board:
- (a) Have an expected return of at least CPI + 7% (after tax and fees) over rolling five-year periods;
  - (b) Only be in a diversified investment (i.e. no single asset investments to be permitted);
  - (c) Expect to provide meaningful diversification benefits to the Fund's existing investments;
  - (d) Be able to be redeemed without significant penalty within three months notice; and
  - (e) Be able to be effectively communicated to those who might take an interest in understanding the Fund's investment strategy.
11. The balance of the Fund's "Bank" account held by the Board with a financial institution is not to exceed 2.5% of the assets of the institution.
12. No directly held investment, other than Bank Bills, Variable Rate Notes and Fixed Interest Securities, will be bought or sold by the Board without first considering expert advice.
13. The Fund's investment managers are permitted to use futures, options and other derivative instruments to assist with the effective management of the Fund's assets. However, these instruments may not be used to gear the portfolio.

The Fund ensures that its investment managers comply with the standards set under the Superannuation Industry (Supervision) Regulations 1994 and by the Australian Prudential Regulation Authority (APRA) in relation to the use of derivative securities.

### **Asset Allocation Strategy**

The Board will undertake an internal passive re-balancing approach, whereby the Fund's cash flow is directed to the appropriate investments and re-balanced on a regular basis.

Each investment will have a target weighting and those investments with exposure below the target weighting would receive the Fund's cash flow (if positive) and those with exposure above the target allocation would have assets redeemed (when required). This will be undertaken as part of the normal distribution of the Fund's cash flow or when circumstances warrant.

### **Performance Review**

1. Monitor on a monthly basis the asset allocation of the external Investment Managers, directly held investments and the total Fund.
2. Monitor on a monthly basis the performance of the external Investment Managers, directly held investments and the total Fund, and compare this to the performance of the Benchmark against the various indices.
3. Twice yearly, comprehensively review all directly held investments in consultation with external advisers (eg. Stockbroker, Real Estate Adviser, Fixed Interest Adviser where appropriate).
4. Continuously review the performance of all external investment managers.
5. This Investment Policy may be changed at any time by Resolution of the Board but in any case is to be comprehensively reviewed every 3 years.

### **Implementation**

The Board's Investment Policy was first implemented in 1992 and some minor changes have been made since that date. The external Investment Managers were comprehensively reviewed in 2004 and last reviewed with effect from May 2009.

**2010 ESTIMATES (not subject to audit)**

	<b>ACTUAL 2009 \$</b>	<b>ESTIMATE 2010 \$</b>
<b>Net Assets Beginning of period</b>	358,791,877	322,240,954
<b>INVESTMENT REVENUE</b>		
Trust Distributions	8,959,788	12,000,000
Interest	1,558,492	1,600,000
Dividends	0	0
Changes in Net Market Value	(55,233,804)	15,500,000
Net Rental Income	1,146,079	1,200,000
Investment Fee Rebate	89,524	100,000
Direct Investment Expenses	(478,616)	(500,000)
<b>CONTRIBUTION REVENUE</b>		
Employer Contributions	10,282,264	11,000,000
Employee Contributions	252,871	300,000
Salary Sacrifice Contributions	12,210,206	12,000,000
Voluntary Contributions	668,754	700,000
Spouse Contributions	1,448,520	1,500,000
Transfers In	2,014,228	2,100,000
ATO Co-contribution	38,802	100,000
<b>OTHER REVENUE</b>		
Insurance Proceeds	447,995	500,000
Other	660	20,000
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>(16,594,237)</b>	<b>58,120,000</b>
	<hr/>	<hr/>
<b>EXPENSES</b>		
Group Life Premiums	(985,446)	(1,000,000)
Administration	(913,854)	(930,000)
Contribution Surcharge	(94)	0
Benefits paid	(20,463,854)	(21,400,000)
Capital	(3,532)	(65,000)
Net Surplus Before Tax	(38,961,017)	34,725,000
Income Tax Expense	(2,410,094)	3,000,000
	<hr/>	<hr/>
<b>Net Assets End of period</b>	<b>322,240,954</b>	<b>353,965,954</b>
	<hr/>	<hr/>

## OUTPUT SUMMARY (not subject to audit)

**Outcome:** To provide superannuation and related benefits to members of the Fund in accordance with legislative requirements.

**Output:** Provision of Superannuation service to members.

**Description:** This output involves the induction of new members, receipt of contributions, investment of funds, reporting to members and payment of benefits.

### Output Measures:

	<b>2008-09 Actual</b>	<b>2009-10 Target</b>
<b>Quantity</b>		
Number of members serviced	1,855	2,000
Total net assets under management	\$322M	\$354M
<b>Quality</b>		
Number of Audit Exceptions	nil	nil
Rate of return above the increase in 3 year average salaries over rolling 10 year periods	<i>Not Available</i>	2.0%
<b>Timeliness</b>		
Average time within which to satisfy member queries	24 hours	24 hours
<b>Cost</b>		
Management Expense Ratio (MER)	0.38%	0.39%

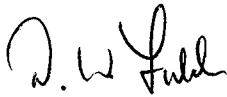
*(MER is a ratio expressing the administration and investment expenses as a proportion of the average net asset value of the Fund.)*

**FIRE AND EMERGENCY SERVICES  
SUPERANNUATION BOARD**

**STATEMENT OF CERTIFICATION OF  
PERFORMANCE INDICATORS**

**We hereby certify that the performance indicators:**

- (i) are based on proper records;**
- (ii) are relevant and appropriate for assisting users to assess the performance of the Fire and Emergency Services Superannuation Board; and**
- (iii) fairly represent the performance of the Fire and Emergency Services Superannuation Board for the financial year ended 30 June 2009.**



**D W FULCHER  
BOARD MEMBER  
22 September 2009**



**B M WEIR  
BOARD MEMBER  
22 September 2009**

## **FIRE AND EMERGENCY SERVICES**

### **SUPERANNUATION BOARD**

#### **PERFORMANCE INDICATORS**

**The Fire and Emergency Services Superannuation Board's primary outcome is:**

To provide superannuation and related benefits to members of the Fund in accordance with legislative requirements. This includes:

- maintaining the long term viability of the Fund: and
- ensuring that the Fund does not breach any of the requirements prescribed for a Regulated Fund under the Superannuation Industry (Supervision) Act 1993 and Regulations (SIS), and the Corporations Act 2001 and Regulations.

#### **EFFECTIVENESS INDICATORS**

##### **Viability of the Fund**

The extent to which (as identified in an annual Actuarial Review):-

- 1.1.** The Board's investment objective is to achieve investment returns of at least 2.0% per annum above the increase in three-year final average salaries over a rolling ten-year period.

Over the ten-year period to 30 June 2009, the Fund's performance against the benchmark has been as follows:

(a)	Investment Returns (unadjusted):	4.6% per annum
(b)	Final Average Salary Increases:	5.9% per annum
(c)	Real Return:	-1.3% per annum
(d)	Target Return:	2.0% per annum

For the ten years to 30 June 2009, the Fund fell short of its investment objective, as investment returns on an unadjusted basis were -1.3% (rather than 2.0%) over and above three-year final average salaries increases.

- 1.2.** The target Asset Backing Index recommended by the Actuary is to maintain an Asset Backing Index of "85" over the next ten years.

The Actuarial report for the year ending 30 June 2009 reported the actual Asset Backing Index to be 77.0.

##### **Compliance under SIS Legislation**

- 1.3.** The Fund meets the prescribed compliance requirements under the Superannuation Industry (Supervision) Legislation (SIS).

The auditor of the fund tested compliance with the Superannuation Industry (Supervision) Act and Regulations.

The auditor noted that there was a breach in the current year pertaining to the disqualified persons requirements. APRA were notified of the breach and decided to take no further action on the basis that the alternate trustee in question resigned upon discovery of his disqualified status.

The audit conclusions did not indicate that there were any further breaches of the provisions of the legislation tested by the auditor.

## EFFICIENCY INDICATORS

### 2.1. The extent to which the average benefit payment delay to members is minimised.

*A total of 81 members exited from the Fund during 2008/09, and payments were made as follows:*

#### **Retained in the Fund**

<i>Account Based Pensions</i>	1
<i>Retained Benefits</i>	36

#### **Paid/Transferred out of the Fund**

<i>Cash</i>	2
<i>Rollover to another Fund</i>	18
<i>Transfer to Eligible Rollover Fund *</i>	24

#### **Total Payments Processed** 5,716

(Includes pension payments and commutations from Pension accounts and withdrawals from Retained Benefits.)

#### **Payments Outstanding** 0

\* All members who have small inactive accounts are transferred to the Australian Eligible Rollover Fund if no advice is received within 30 days of request.

*The following table reflects the time taken to process payments to the members.*

	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>	<b>2004/05</b>
<i>0 – 1 day</i>	5,630 (99%)	5,152 (97%)	2,237 (97%)	1,871 (98%)	1,630 (99%)
<i>2 – 5 days</i>	79 (1%)	130 (3%)	61 (3%)	31 (2%)	23 (1%)
<i>over 5 days</i>	7 (0%)	5 (0%)	0 (0%)	1 (0%)	0 (0%)

### 2.2 The extent to which the cost of administering the Fund is minimised.

	<b>2008/09</b>	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>	<b>2004/05</b>
<i>Administration Expenses</i>	\$917,386	\$807,791	\$676,609	\$635,268	\$718,121
<i>As a percentage of Contributions received</i>	3.41%	2.99%	2.53%	2.83%	3.83%
<i>As a percentage of Total Net Assets</i>	0.28%	0.23%	0.18%	0.20%	0.27%



## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

### **FIRE AND EMERGENCY SERVICES SUPERANNUATION BOARD FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accounts, financial statements, controls and key performance indicators of the Fire and Emergency Services Superannuation Board.

The financial statements comprise the Statement of Net Assets as at 30 June 2009, and the Statement of Changes in Net Assets for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### **Board's Responsibility for the Financial Statements and Key Performance Indicators**

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

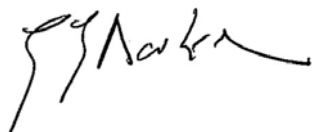
An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**Fire and Emergency Services Superannuation Board**  
**Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Fire and Emergency Services Superannuation Board at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2009.



GLEN CLARKE  
ACTING AUDITOR GENERAL  
23 September 2009



**FIRE AND EMERGENCY SERVICES**

**SUPERANNUATION FUND**

**STATEMENT OF CERTIFICATION**

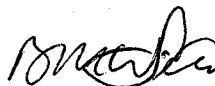
**FINANCIAL STATEMENTS**

The accompanying financial statements of the Fire and Emergency Services Superannuation Fund have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the period 1 July 2008 to 30 June 2009 and the financial position as at 30 June 2009.

At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



**D W FULCHER**  
**BOARD MEMBER**  
22 September 2009



**B M WEIR**  
**BOARD MEMBER**  
22 September 2009



**A B RUTTER**  
**CHIEF FINANCE OFFICER**  
22 September 2009

# **FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009**

## **CONTENTS**

## **Page**

---

Statement of Changes in Net Assets	2
Statement of Net Assets	3
Notes to the Financial Statements	4 – 23

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>INVESTMENT REVENUE</b>			
Interest		1,558,492	1,463,808
Trust distributions		8,959,788	20,685,583
Investment revenue managed portfolios		-	1,025,709
Net rental income		1,146,079	1,288,367
Changes in net market values	7(a)	(55,215,971)	(47,396,931)
Direct investment expenses		(389,092)	(112,167)
		<u>(43,940,704)</u>	<u>(23,045,631)</u>
<b>CONTRIBUTION REVENUE</b>			
Employer contributions		22,492,470	21,036,072
Member contributions		291,673	295,400
Member voluntary contributions		668,754	2,102,441
Spouse contributions		1,448,520	1,188,974
Transfers in		2,014,228	2,386,074
		<u>26,915,645</u>	<u>27,008,961</u>
<b>OTHER REVENUE</b>			
Changes in net market values of other assets	7(b)	(17,833)	(30,640)
Insurance proceeds		447,995	9,186
Family law fee		660	-
		<u>430,822</u>	<u>(21,454)</u>
<b>TOTAL REVENUE</b>		<b>(16,594,237)</b>	<b>3,941,876</b>
<b>EXPENSES</b>			
General administration expenses	8	917,386	807,791
Group life premiums		985,446	698,881
Contribution surcharge		94	14,991
Benefits paid		20,463,854	20,860,028
<b>TOTAL EXPENSES</b>		<b>22,366,780</b>	<b>22,381,691</b>
<b>CHANGES IN NET ASSETS BEFORE TAX</b>		<b>(38,961,017)</b>	<b>(18,439,815)</b>
INCOME TAX BENEFIT	9(a)(b)	(2,410,094)	(313,881)
<b>CHANGES IN NET ASSETS AFTER TAX</b>		<b>(36,550,923)</b>	<b>(18,125,934)</b>
NET ASSETS AVAILABLE TO PAY BENEFITS at the beginning of the period		<b>358,791,877</b>	<b>376,917,811</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS at the end of the period</b>		<b>322,240,954</b>	<b>358,791,877</b>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## STATEMENT OF NET ASSETS AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Cash Assets</b>			
Cash and cash equivalents		12,760,674	14,033,825
<b>Receivables</b>			
Distributions receivable		2,286,882	7,949,959
Other receivables		185,184	225,523
Accrued interest		48,723	78,756
<b>Investments</b>			
Interest bearing investments	10	10,287,052	1,752,923
Fixed interest securities	11	5,688,258	5,769,472
Securities in listed entities	12	9,209,819	19,117,850
Units in unlisted unit trusts	13(a)	165,301,636	186,930,661
Insurance policies	14	13,133,592	14,875,988
Pooled superannuation trusts	15	69,486,181	73,740,993
Land and buildings	16	29,645,000	35,995,400
<b>Other Assets</b>			
Furniture, office equipment and motor vehicle		78,700	93,000
Deferred tax assets	9(e)	5,842,568	850,797
<b>TOTAL ASSETS</b>		<b>323,954,269</b>	<b>361,415,147</b>
<b>LIABILITIES</b>			
Creditors and accruals	17	666,892	257,971
Uncalled capital liability	13(b)	113,426	170,905
Employee entitlements		83,863	62,203
Current tax liabilities	9(c)	841,825	2,120,378
Deferred tax liabilities	9(d)	7,309	11,813
<b>TOTAL LIABILITIES</b>		<b>1,713,315</b>	<b>2,623,270</b>
<b>NET ASSETS AVAILABLE TO PAY BENEFITS</b>	<b>4,5</b>	<b>322,240,954</b>	<b>358,791,877</b>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of Compliance

The financial report of the Fire and Emergency Services Superannuation Fund ("Fund") are general purpose statements which have been drawn up in accordance with Australian accounting standards including AAS 25 "Financial Reporting Superannuation Plans" ("AAS 25") as amended by AASB 2005-13 (December 2005), other applicable Accounting Standards and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations ("SIS") and the provisions of the Fire and Emergency Services Superannuation Act 1985 and Fire and Emergency Services (Superannuation Fund) Regulations 1986.

The Fund is a superannuation fund domiciled in Australia. The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

The financial statements were approved by the Board of the Trustee, Fire and Emergency Services Superannuation Board, on 22 September 2009.

#### (b) Basis of Preparation

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB"), being the Australian equivalent to IFRS ("AIFRS") to distinguish from previous Australian generally accepted accounting principles ("GAAP"). Since AAS 25 is the principal standard that applies to the financial statements, other standards, including AIFRS, are also applied where necessary except to the extent that they differ from AAS 25.

In accordance with Treasurer's Instruction 1101 where the requirements of AAS 25 are inconsistent with the requirements of the Treasurer's Instructions AAS 25 shall, to the extent of the inconsistency prevail.

At the date of authorisation of the financial report, the following Standards which are expected to be relevant to the Fund were in issue but not yet effective. The Board anticipate the adoption of these Standards will have no material financial impact on the financial report of the Fund.

- AASB 8 *Operating Segments* replaces the requirements of segment disclosures in AASB 114 *Segment Reporting*. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009.
- AASB 101 *Presentation of Financial Statements* (Revised September 2007) and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (September 2007) and applicable for annual reporting periods on or after 1 January 2009.
- Revised AASB 101 *Presentation of Financial Statements* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income or, in an income statement and a separate statement of comprehensive income.
- AASB 2009-2 Amendments to Australian Accounting Standards – *Improving Disclosures about Financial Instruments* (AASB 4, AASB 7, AASB 1023 AND AASB 1038) requires disclosures of financial instruments measured at fair value to be based on a three-level fair value hierarchy that reflects the significance of the inputs in such fair value measurement as well as requiring qualitative and quantitative disclosures of liquidity risk. AASB 2009-2 will become mandatory for the Fund's 30 June 2010 financial statements. The Fund has not yet determined the potential effect of the revised standard on the Fund's disclosures.
- AASB 123 *Borrowing Costs* and consequential amendments to other accounting standards resulting from its issue for annual reporting periods on or after 1 January 2009.
- AASB 2008-2 Amendments to Australian Accounting Standards – *Puttable Financial Instruments and Obligations arising from Liquidation* for annual reporting periods on or after 1 January 2009.

The financial statements have been prepared in accordance with the historical cost convention, except for the valuation of investments, which are measured at net market value.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Use of Estimates and Judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the entity's accounting policies.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical accounting estimates and judgements contained in these financial statements other than those used to determine the liability for accrued benefits, which are not brought to account but disclosed by way of note.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

#### (d) Investments

Investments of the Fund are initially recognised at cost, being the fair value of the consideration given. After the initial recognition assets of the Fund are recorded at net market value, after allowing for costs of realisation, as at the reporting date and changes in the net market value of assets are recognised in the Statement of Changes in Net Assets in the periods in which they occur.

##### Pooled Superannuation Trusts, Insurance Policies and Unit Trusts

Based on the redemption price of the units as notified by the investment managers.

##### Securities and Other Equities

The value is determined using external market price data published by the appropriate information vendors. Unlisted investments are valued on the basis of independent valuations.

##### Interest Bearing Investments

The value is determined by reference to the principal invested or as determined by the appropriate information vendors.

##### Unlisted Companies

The value is determined by reference to the market price provided by the appropriate information vendors.

##### Land and Buildings

Real Property is valued at independent appraisal conducted at balance date.

The net fair value of investments are considered to be equal to the net market value.

#### (e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

##### Changes in net market value of investments

Changes in net market value of investments are recognised as income in the Statement of Changes in Net Assets in the periods in which they occur. Changes in net market values are determined as the difference between the net market value at balance date or consideration received (if sold during the year) and the net market value at the previous balance date or the cost (if the investment was acquired during the year).

##### Interest

Interest revenue is recognised when the Fund has established its right to receive the interest.

##### Trust Distributions

Trust distribution revenue is recognised when the Fund has established that it has a right to receive the distribution.

##### Dividends

Dividends are recognised when the fund has established that it has a right to receive a dividend.

##### Contribution Revenues

Member and employer contributions and transfers in are recognised when the control of the asset has been attained and are recorded in the period to which they relate.

Superannuation co-contributions from the Australian government are recognised on a cash basis.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Income Tax

The Fund is a complying superannuation Fund within the provisions of the Income Tax Assessment Act and accordingly the concessional tax rate of 15% has been applied.

##### Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable benefits accrued for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### (g) Benefits Payable

Benefits payable comprises the entitlements of members who ceased employment and had provided the Fund with appropriate notification, but where the benefit has not been paid prior to year end. Benefits payable also includes any death or disablement benefit for which the insurer had reimbursed the Fund prior to balance date but where the benefit had not been paid at that time.

#### (h) Receivables and Other Payables

Receivables are carried at nominal amounts due which approximate fair value.

Other payables are recognised when the Fund is obligated to make future payments for services received and are carried at the net market value of the amount payable.

#### (i) Contribution Surcharge

The Superannuation Laws Amendment (Abolition of Surcharge) Act 2005 abolishes both the superannuation contributions surcharge and the termination payments surcharge in respect of superannuation contributions and certain termination payments made or received on or after 1 July 2005. Assessments for surcharge in respect of contributions and payments for the year ended 30 June 2005 and prior years will continue to be issued and remain payable.

The contribution surcharge is recorded as an expense in the Statement of Changes in Net Assets if an amount has been paid or an assessment has been received during the period irrespective of the period to which the surcharge related. A liability for future payments is only recognised if an assessment has been issued by the Australian Taxation Office (ATO) and was unpaid at balance date.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Goods and Services Tax

GST incurred that is not recoverable from the ATO has been recognised as part of the cost of acquisition of the asset or as part of the expense to which it relates.

Receivables and payables are stated with the amount of GST included in the value.

The amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Net Assets.

#### (k) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Fund transfers substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

#### (l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, demand deposits and short term, highly liquid investments that are readily converted to known amounts of cash.

#### (m) Employee benefits

##### *Long-term service benefits*

The Fund's net obligation in respect of long-term service benefits, other than pension funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

##### *Short-term benefits*

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax. The Fund does not provide for non vesting sick leave.

#### (n) Excess Contributions Tax

The Australian Taxation Office ("ATO") may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year. Where a member receives an excess contributions tax release authority, the member:

- May give the release authority relating to the member's concessional contributions to a fund for payment; and
- Must give the release authority relating to the member's non-concessional contributions to a fund for payment

Release authorities may be issued by the ATO from 1 July 2007 in relation to transitional non-concessional contributions received by the Fund between 9 May 2006 and 30 June 2007. Release authorities in relation to concessional and/or non-concessional contributions received from 1 July 2007 may be issued from the ATO from 1 July 2008.

The liability for excess contributions tax will be recognised when the relevant release authorities are received from members, as the Trustee considers this is when it can be reliably measured.

The excess contributions tax liability recognised by the Fund will be charged to the relevant members' accounts.



# **FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

---

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(o) No-TFN Contributions Tax**

Where a member does not provide their tax file number to a fund, the fund may be required to pay no-TFN contributions tax at a rate of 31.5% which is in addition to the concessional tax rate of 15% which applies to the Fund's assessable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant members' accounts. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax will be included in the relevant members' accounts.

### **2. OPERATION OF THE FUND**

The Fund was established under the Fire and Emergency Services Superannuation Act 1985 as amended.

The Fund is predominately a defined benefit fund and the objective of the Trustees is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable.

### **3. FUNDING ARRANGEMENTS**

The funding policy adopted in respect of the Fund is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. As such, in framing employer and member contribution rates, the actuary has considered long-term trends in such factors as Fund membership, salary growth and average market value of Fund's assets.

The employer has contributed to the Fund in 2009 at a standard rate of 11.75% (2008: 11.75%) of the salaries of those permanent employees who elected to be defined benefit members of the Fund. The employer has also made additional contributions at the rate of 1% (2008: 1%) to fund the supplementary disablement benefits. Employees contributed to the Fund at the rate of 6.25% of salary for 2009 (2008: 6.25%).

For those members of the Fund who have not elected, or are unable, to become defined benefit members, the employer contributed at the rate of 9% salaries for 2009 (2008: 9%).

The Fund also received salary sacrifice contributions during the year ended 30 June 2009.

Members make additional voluntary contributions at variable rates.

The actuarial report attached to these financial statements includes the actuary's opinion as to the financial condition of the Fund as at the last valuation date.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 4. LIABILITY FOR ACCRUED BENEFITS

The liability for accrued benefits represents the fund's present obligation to pay benefits to members and beneficiaries. The liability for accrued benefits is measured annually by a qualified actuary and has been determined on the basis of the present value of expected future payments which arise from membership of the fund up to the reporting date.

The figure reported has been determined by reference to expected salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions. The liability for accrued benefits includes the allocated benefits. The valuation of accrued benefits at the reporting date was undertaken by the actuary as part of a comprehensive review undertaken during 2009.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Liability for accrued benefits at end of period	320,955,490	323,230,412

The main assumptions used to determine the actuarial value of accrued benefits at the last review date were:

- The future rate of investment return earned on the Fund's investments would be 6.5%
- The future rate of salary increases would be 5%

### 5. VESTED BENEFITS

Vested benefits are benefits that are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Accumulation Account Benefits</b>		
Bonus Account Balances	10,833,591	13,650,991
Other Account Balances		
Defined Benefit Members	20,712,230	22,466,387
Accumulation Benefit Members	11,869,297	12,145,220
Non-Member Spouse Benefits	1,191,953	715,064
Spouse Accounts	7,891,531	7,665,499
Allocated Pensioners	51,414,000	59,543,950
Term Allocated Pensioners	742,384	893,734
Retained Benefits	50,527,449	54,406,209
	155,182,435	171,487,054
<b>Defined Benefits</b>	160,089,555	145,496,883
<b>Supplementary Pension Liabilities</b>	439,882	710,396
	315,711,872	317,694,333

### 6. GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the liability for accrued benefits.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 7. CHANGES IN NET MARKET VALUES

	2009 \$	2008 \$
<b>(a) Changes in net market value of investments</b>		
<b>Investments realised during the period</b>		
Fixed Interest Securities	98,838	925
Insurance Policies	1,124	10,687
Managed Investment Portfolios	-	(1,669,942)
Securities in Listed Entities	(104,209)	15,151
Units in Unlisted Unit Trusts	(2,280,199)	(506,712)
	<u>(2,284,446)</u>	<u>(2,149,891)</u>
<b>Investments held at reporting date</b>		
Fixed Interest Securities	(596,416)	(2,251,118)
Insurance Policies	(1,636,327)	1,850,704
Securities in Listed Entities	(8,589,211)	19,121
Units in Unlisted Unit Trusts	(31,504,358)	(45,880,886)
Pooled Superannuation Trusts	(4,254,813)	(6,763,306)
Land and Buildings	(6,350,400)	7,778,445
	<u>(52,931,525)</u>	<u>(45,247,040)</u>
	<u>(55,215,971)</u>	<u>(47,396,931)</u>
<b>(b) Changes in net market value of other assets</b>		
<b>Assets held at reporting date</b>		
Furniture, Office Equipment and Motor Vehicles	(17,833)	(30,640)
	<u>(17,833)</u>	<u>(30,640)</u>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 8. GENERAL ADMINISTRATION EXPENSES

	2009 \$	2008 \$
Accounting and tax agent fees	46,247	42,663
Actuarial Fees	53,940	52,090
APRA fees	46,394	57,979
Audit fees – external	57,478	54,669
Audit fees – internal	18,479	13,065
Board fees & allowances	13,072	15,473
Conference & seminars	19,411	20,265
Consulting fees	63,971	100,572
Data processing expenses	97,156	70,879
Education and training	1,178	-
Fringe benefits tax	8,677	8,666
Insurance other	2,797	3,563
Journals & publications	7,178	8,074
Legal fees	87,335	18,932
Medical expenses	-	820
Miscellaneous costs	14,285	15,544
Motor vehicle expenses	5,927	6,084
Office expenses	3,867	5,036
Postage & couriers	8,836	8,852
Printing & stationery	20,166	15,481
Rent & outgoings	16,057	15,375
Salaries	207,391	158,470
Subscriptions & licenses	9,271	8,803
Superannuation	58,246	49,237
Telephone	3,111	2,791
Travel & accommodation	32,000	38,040
Trustee Indemnity Insurance	14,916	16,368
	<hr/>	<hr/>
	917,386	807,791
	<hr/>	<hr/>

### 9. TAXATION

	2009 \$	2008 \$
<b>(a) Major components of tax expense</b>		
Current income tax		
- Current tax charge	3,054,476	4,679,618
- Adjustment to current tax for prior period	(456,289)	(235,627)
Deferred income tax		
- Relating to the origination and reversal of temporary differences	(5,008,281)	(4,757,872)
	<hr/>	<hr/>
Income tax expense/(benefit)	(2,410,094)	(313,881)
	<hr/>	<hr/>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 9. TAXATION (CONTINUED)

	2009 \$	2008 \$
<b>(b) Income tax expense</b>		
Changes in net assets before tax	(38,961,017)	(18,439,815)
Tax applicable at the rate of 15% (2008 15%)	(5,844,153)	(2,765,972)
Tax effect of income/(losses) that are not assessable/(deductible) in determining taxable income		
- Investment income	939,037	724,775
- Managed portfolios	-	44,153
- Discount capital gains	2,439,000	1,604,676
- Member contributions & transfers In	(663,476)	(895,933)
- Insurance proceeds	(67,199)	(1,378)
- Non assessable pension income	(315,000)	(503,956)
Tax effect of expenses that are not deductible in determining taxable income		
- Benefits paid	3,069,578	3,129,004
- Contribution surcharge	14	2,249
Tax effect of other adjustments		
- Imputation & foreign tax credits	(1,436,463)	(1,341,129)
- Self insurance	(45,000)	(44,515)
- Building depreciation allowance	(30,143)	(30,228)
- Over provision prior periods	(456,289)	(235,627)
Income tax expense/(benefit)	(2,410,094)	(313,881)
<b>(c) Current tax liabilities</b>		
<u>Provision for current income tax</u>		
Balance at beginning of year	2,120,378	2,559,908
Income tax paid – current period	(2,212,651)	(2,559,240)
Income tax paid – prior periods	(1,652,354)	(2,324,281)
Current years income tax expense	3,054,476	4,679,618
Over provision prior year	(468,024)	(235,627)
	841,825	2,120,378
<b>(d) Deferred tax liabilities</b>		
The amount of deferred tax liability recognised in the Statement of Net Assets:		
Accrued income	7,309	11,813

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 9. TAXATION (CONTINUED)

	2009 \$	2008 \$
--	------------	------------

#### (e) Deferred tax assets

The amount of deferred tax asset recognised in the Statement of Net Assets:

Accrued expenses	100,355	34,681
Unrealised losses on investments	5,742,213	816,116
	<hr/>	<hr/>
	5,842,568	850,797
	<hr/>	<hr/>

### 10. INTEREST BEARING INVESTMENTS

	2009 \$	2008 \$
BankWest 11am Call	-	650,000
Bankwest Term Deposits	4,000,000	-
Macquarie Cash Management Trust	238,724	1,102,923
Westpac Term Deposits	6,048,328	-
	<hr/>	<hr/>
	10,287,052	1,752,923
	<hr/>	<hr/>

### 11. FIXED INTEREST SECURITIES

	2009 \$	2008 \$
ANZ Principal Protected Yield Curve Note	-	449,650
Belo (Kalgoorlie AA+)	-	629,678
Beryl (AAA Global Bank Note 2)	85,000	83,776
Beryl (AAA Global Bank Note)	85,000	83,776
CBA FR Sub Debt	933,150	-
Corsair (Torquay AA)	10,248	130,568
Deutsche Bank CG Yield Curve Note	-	299,400
Ethical CDO (Green AA)	40,465	255,010
Elders Rural Bank Limited Variable Rate Notes	1,000,000	1,000,000
Greater Building Society Limited Variable Rate Notes	1,500,000	1,500,000
Helium (Scarborough AA)	25,435	279,675
MAS6-7 (Parkes IIA AA-)	10,580	136,145
Omega (Henley AAA)	190,445	338,030
Omega (Henley BBB)	140,740	225,034
St George Bank Sub Debt	534,965	-
Westpac FR Sub Debt	486,230	-
Zircon (Coolangatta AA)	390,000	195,310
Zircon (Miami AA)	256,000	163,420
	<hr/>	<hr/>
	5,688,258	5,769,472
	<hr/>	<hr/>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 12. SECURITIES IN LISTED ENTITIES

	2009 \$	2008 \$
Australand ASSETS	174,000	267,000
Babcock and Brown	-	165,250
Dyno Nobel SPS	-	380,650
Futuris Hybrids	173,411	461,230
IAG Finance	186,875	204,725
Insurance Australia RPS	753,750	637,500
Linq Resources Fund	5,972,088	13,898,678
Macquarie Airports Tickets	515,161	462,675
Multiplex SITES Trust	122,617	218,680
Orica Step Up - preference	452,250	476,750
Santos FUELS	524,107	504,502
Perls II Trust	-	1,068,210
Westpac Trust Preferred Securities	335,560	372,000
	<hr/>	<hr/>
	9,209,819	19,117,850
	<hr/>	<hr/>

### 13. UNITS IN UNLISTED UNIT TRUSTS

	2009 \$	2008 \$
<b>(a) Investment</b>		
APN National Storage Property Trust	585,450	650,250
Barclays Balanced Fund	58,490,445	67,749,221
Centro MCS 32 - International Property 2	787,500	990,000
Centro MCS 36 Property Syndicate	330,000	450,000
Challenger Australian Share Fund	13,561,903	16,954,142
Challenger Socially Responsive Investment Fund	10,386,885	13,169,296
CNA Capital International Global Equity Fund	11,649,660	-
Credit Suisse Flexible Int Shares 0-50% Active	-	13,478,241
Foundation Millennium 2000 Trust	476,509	509,450
Foundation Millennium 2000 IIF Trust	151,798	344,413
Schroder Balanced Fund	68,234,426	72,032,952
Super Loans Trust	647,060	586,946
Rubican Japan Trust	-	15,750
	<hr/>	<hr/>
	165,301,636	186,930,661
	<hr/>	<hr/>
<b>(b) Uncalled Capital</b>		
Foundation Millennium 2000 Trust	77,915	97,789
Foundation Millennium 2000 IIF Trust	35,511	73,116
	<hr/>	<hr/>
	113,426	170,905
	<hr/>	<hr/>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 14. INSURANCE POLICIES

	2009 \$	2008 \$
AMP Diversified Property	13,133,592	14,875,988

### 15. POOLED SUPERANNUATION TRUSTS

	2009 \$	2008 \$
Maple Brown Abbott Pooled Superannuation Trust	69,486,181	73,740,993

### 16. LAND AND BUILDINGS

	2009 \$	2008 \$
Howe Street	7,546,000	9,045,400
Kings Park Road	22,099,000	26,950,000
	29,645,000	35,995,400

### 17. CREDITORS AND ACCRUALS

	2009 \$	2008 \$
Accounting fees	26,950	28,327
Actuarial fees	29,584	29,856
APRA fees	53,000	57,999
Audit fees	65,402	61,398
Contributions in advance	444,788	-
GST payable	15,594	34,645
PAYG withholding tax	11,659	20,158
Sundry creditors	19,915	25,588
	666,892	257,971



# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 18. GENERAL DISCLOSURE

In accordance with Treasurer's Instruction 952 the following general disclosure is made:

(a) Remuneration and allowances paid to Senior Officers:

	2009	2008
Total remuneration to Senior Officers	\$163,504	\$148,890

(b) The number of Senior Officers, other than members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

\$110,000 - \$119,999	-	1
\$130,000 - \$139,999	1	-

(c) Remuneration and allowances paid to Members of the Accountable Authority:

Total remuneration to Members of the Accountable Authority	\$27,468	\$27,836
--	----------	----------

(d) The number of Members of the Accountable Authority whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

\$0 - \$10,000	6	7
\$10,000 - \$20,000	1	1

The Trustee of the Board throughout the year was Fire and Emergency Services Superannuation Board. The Board is considered to be the Key Management Personnel of the Fund.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 19. EXPLANATORY STATEMENT

#### (a) Comparison 2009 results to 2008 results

	Actual 2009 \$	Actual 2008 \$	Variance \$
<b>INVESTMENT REVENUE</b>			
Interest	1,558,492	1,463,808	94,684
Trust Distributions	8,959,788	20,685,583	(11,725,795)
Investment Revenue Managed Portfolios	-	1,025,709	(1,025,709)
Net Rental Income	1,146,079	1,288,367	(142,288)
Changes Net Market Value	(55,215,971)	(47,396,931)	(7,819,040)
Direct Investment Expenses	(389,092)	(112,167)	(276,925)
Contributions	26,915,645	27,008,961	(93,316)
Other Revenue	430,822	(21,454)	452,276
<b>TOTAL REVENUE</b>	<b>(16,594,237)</b>	<b>3,941,876</b>	<b>(20,536,113)</b>
<b>EXPENSES</b>			
Administration	917,386	807,791	109,595
Group Life Premiums	985,446	698,881	286,565
Contributions Surcharge	94	14,991	(14,897)
Benefits paid	20,463,854	20,860,028	(396,174)
<b>TOTAL EXPENSES</b>	<b>22,366,780</b>	<b>22,381,691</b>	<b>(14,911)</b>
<b>CHANGES IN NET ASSETS BEFORE TAX</b>	<b>(38,961,017)</b>	<b>(18,439,815)</b>	<b>(20,521,202)</b>
INCOME TAX BENEFIT	(2,410,094)	(313,881)	(2,096,213)
<b>CHANGES IN NET ASSETS AFTER TAX</b>	<b>(36,550,923)</b>	<b>(18,125,934)</b>	<b>(18,424,989)</b>
NET ASSETS BEGINNING OF PERIOD	358,791,877	376,917,811	(18,125,934)
<b>NET ASSETS END OF PERIOD</b>	<b>322,240,954</b>	<b>358,791,877</b>	<b>(36,550,923)</b>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 19. EXPLANATORY STATEMENT (CONTINUED)

#### Explanation of Significant Variances

##### Trust Distributions

Trust distributions are dependent on the investment performance of the underlying unit trust. Distributions are declared at the discretion of the Trustee and are a function of the revenue earned by the trust in a particular reporting period. This amount will vary from year to year depending on the circumstances of the trust.

##### Investment Revenue Managed Portfolio Income

Investment revenue from managed portfolios was lower during the year due to redemption of Invesco in July 2007.

##### Changes in Net Market Value

Investments declined more in the current year due to the general market downturn by the Fund's investment managers.

##### Income Tax Expense

Income tax benefit was higher than the prior year due to the general market downturn during the financial year.

#### (b) Comparison Actual to Estimates

	<b>Actual 2009 \$</b>	<b>Budget 2009 \$</b>	<b>Variance Unaudited \$</b>
<b>INVESTMENT REVENUE</b>			
Interest	1,558,492	700,000	858,492
Trust Distributions	8,959,788	20,700,000	(11,740,212)
Net Rental Income	1,146,079	1,300,000	(153,921)
Changes Net Market Value	(55,215,971)	18,000,000	(73,215,971)
Direct Investment Expenses	(389,092)	(300,000)	(89,092)
Contributions	26,915,645	30,000,000	(3,084,355)
Other Revenue	430,822	445,000	(14,178)
<b>TOTAL REVENUE</b>	<b>(16,594,237)</b>	<b>70,845,000</b>	<b>(87,439,237)</b>
<b>EXPENSES</b>			
Administration	917,386	827,000	90,386
Group Life Premiums	985,446	700,000	285,446
Contributions Surcharge	94	20,000	(19,906)
Benefits paid	20,463,854	24,500,000	(4,036,146)
<b>TOTAL EXPENSES</b>	<b>22,366,780</b>	<b>26,047,000</b>	<b>(3,680,220)</b>
<b>CHANGES IN NET ASSETS BEFORE TAX</b>	<b>(38,961,017)</b>	<b>44,798,000</b>	<b>(83,759,017)</b>
INCOME TAX BENEFIT	(2,410,094)	5,000,000	7,410,094
<b>CHANGES IN NET ASSETS AFTER TAX</b>	<b>(36,550,923)</b>	<b>39,798,000</b>	<b>(76,348,923)</b>
NET ASSETS BEGINNING OF PERIOD	358,791,877	358,791,877	-
<b>NET ASSETS END OF PERIOD</b>	<b>322,240,954</b>	<b>398,589,877</b>	<b>(76,348,923)</b>

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 19. EXPLANATORY STATEMENT (CONTINUED)

#### Explanation of significant variances

##### Trust Distributions

Trust distributions are dependent on the investment performance of the underlying unit trust. Distributions are declared at the discretion of the Trustee and are a function of the revenue earned by the trust in a particular reporting period. This amount will vary from year to year depending on the circumstances of the trust.

##### Changes in Net Market Values

Investment performance was poorer than anticipated.

##### Contributions

An unexpected decrease in the level of member voluntary contributions occurred.

##### Benefits Paid

The Fund paid less benefits than was anticipated.

##### Income Tax Expense

Income tax expense was lower than anticipated due to a decrease in investment returns.

### 20. AUDITOR'S REMUNERATION

	2009 \$	2008 \$
Amounts paid or due and payable to Auditor General for the following services:		
• Audit services – external	57,478	54,669
• Other services	-	-
Amounts paid or due and payable to PKF Chartered Accountants for the following services:		
• Audit services - internal	18,479	13,065
• Other services	-	-
	<hr/> 75,957	<hr/> 67,734

### 21. SEGMENT INFORMATION

The Fund operates solely in the provision of superannuation benefits to members and operates in Australia only.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 22. FINANCIAL INSTRUMENTS

The Fund's assets principally consist of financial instruments which comprise units in pooled superannuation trusts, insurance policies and unlisted trusts, interest bearing investments, fixed interest securities, securities in listed and unlisted entities, managed investment portfolios and land and buildings. It holds these investment assets in accordance with the Trustee's published investment policy statement.

The allocation of assets between the various types of financial instruments is determined by the Trustee who manages the Fund's portfolio of assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund on at least a monthly basis.

The Fund's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Trustee of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Trustee is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's investment managers, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

In managing and monitoring the risks the Trustee on a monthly basis monitors compliance with the Fund's investment policy statement. The Fund's investment consultant provides occasion recommendations in relation to the review or retention of investments. The Trustee appoints the Investment Consultant to complete independent reviews of the Fund's investments when they consider it necessary.

The Fund's Audit, Risk & Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

#### Categories of financial instruments

The assets and liabilities of the Fund are recognised at net market value as at reporting date. Net market value approximates fair value less costs of realisation for investments. The cost of realisation is minimal and therefore net market value that is carrying value approximates fair value. Changes in net market value are recognised through the Statement of Changes in Net Assets.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund invests in Australian domiciled investments where the underlying investments may include overseas equities. These investments are all denominated in Australian dollars.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

---

### 22. FINANCIAL INSTRUMENTS (CONTINUED)

#### Market Risk (continued)

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial assets comprise non-interest-bearing and interest rate financial instruments. Interest-bearing financial assets and interest-bearing financial liabilities mature or re-price due to market changes. As a result, the Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Fund are invested in cash management trusts. Investments in debt securities are fixed rate instruments with various terms to maturity. The Fund also invests in Australian domiciled unit trusts where the underlying investments are in fixed interest securities.

At the reporting date, the interest rate profile of the Fund's interest-bearing financial instruments was:

	<b>Fair Value 2009 \$</b>	<b>Fair Value 2008 \$</b>
<b>Fixed rate instruments</b>		
Financial assets - Australian	3,188,258	3,269,472

##### Sensitivity analysis

The Fund accounts for fixed rate financial assets at fair value as determined by the investment manager through the Statement of Changes in Net Assets.

The investment manager advised that the fair value of the fixed rate instruments owned by the Fund are not significantly affected by movements in interest rates as they are "floating rate notes" whose coupon is re-set every three months in line with prevailing market interest rates. Their value is determined primarily by the credit margins of the underlying securities together with other market factors such as liquidity. Should there be a movement in interest rates by 50 basis points the Statement of Changes in Net Assets would have moved by \$115,239 (2008: \$14,034).

##### Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the Fund's financial instruments are valued at net market value with changes in net market value recognised in the Statement of Changes in Net Assets, all changes in market conditions will directly affect investment revenue.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 22. FINANCIAL INSTRUMENTS (CONTINUED)

#### Other market price risk (Continued)

##### *Sensitivity analysis*

The Trustee has determined that the standard deviation of the rate of return for each asset class will provide a reasonably possible change in the prices of the investments that comprise each asset class. The five year average standard deviation of rates of return for each asset class, were provided by the Fund's asset manager. The following table illustrates the effect on change in net assets after tax and net assets available to pay benefits from possible changes in market price risk.

**2009**

Investment Option	Sensitivity variable	Standard Deviation	Change in accrued benefits as a result of operations \$	Net Assets available to pay benefits \$
Cash	Average 5 year standard deviation	0.3%	66,962	66,962
Australian Bonds	Average 5 year standard deviation	2.7%	1,238,197	1,238,197
Australian Shares	Average 5 year standard deviation	15.0%	15,475,713	15,475,713
Property – Direct	Average 5 year standard deviation	5.6%	2,423,026	2,423,026
Property – Listed	Average 5 year standard deviation	21.9%	1,854,008	1,854,008
International Shares	Average 5 year standard deviation	12.5%	6,697,092	6,697,092
International Bonds	Average 5 year standard deviation	3.1%	228,031	228,031
Alternative	Average 5 year standard deviation	0.3%	38,333	38,333
<b>Total</b>			<b>28,021,362</b>	<b>28,021,362</b>

**2008**

Investment Option	Sensitivity variable	Standard Deviation	Change in accrued benefits as a result of operations \$	Net Assets available to pay benefits \$
Cash	Average 5 year standard deviation	0.2%	56,475	56,475
Australian Bonds	Average 5 year standard deviation	2.3%	1,255,761	1,255,761
Australian Shares	Average 5 year standard deviation	11.0%	12,578,166	12,578,166
Property – Direct	Average 5 year standard deviation	3.7%	1,938,713	1,938,713
Property – Listed	Average 5 year standard deviation	14.9%	1,162,836	1,162,836
International Shares	Average 5 year standard deviation	10.9%	6,493,734	6,493,734
International Bonds	Average 5 year standard deviation	2.8%	248,441	248,441
Alternative	Average 5 year standard deviation	0.2%	29,646	29,646
<b>Total</b>			<b>23,763,774</b>	<b>23,763,774</b>

A positive or negative rate of return equal to the standard deviations above would have an equal but opposite effect on the Fund's investment revenue, on the basis that all other variables remain constant.

Standard deviation is a useful historical measure of the variability of return earned by an investment portfolio. The standard deviations above provide a reasonable sensitivity variable to estimate each investment option's expected return in future years.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

# FIRE AND EMERGENCY SERVICES SUPERANNUATION FUND

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 22. FINANCIAL INSTRUMENTS (CONTINUED)

#### Credit Risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The net market value of financial assets, included in the Statement of Net Assets represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to any individual counter party or industry. The credit risk is monitored by the Trustee by monthly reporting from its investment manager.

The Fund does not have any assets which are past due or impaired.

#### Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity position is monitored on a daily basis. The Fund's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, Fund expenses plus investing activities.

The following tables summarise the expected maturity profile of the Fund's financial liabilities based on the earliest date on which the Fund can be required to pay. The amounts in the table are the contractual undiscounted cash flows.

30 June 2009	Less than 3 months \$	3 Months to 1 year \$	Total Contractual Cash Flows \$	Carrying Amount (Asset)/Liabilities \$
Creditors & accruals	666,892	-	666,892	666,892
Uncalled capital liability	113,426	-	113,426	113,426
Employee entitlements	83,863	-	83,863	83,863
Current tax liabilities	1,277,659	(435,834)	841,825	841,825
Vested benefits	315,711,872	-	315,711,872	315,711,872
<b>Total</b>	<b>317,253,712</b>	<b>(435,834)</b>	<b>316,817,877</b>	<b>316,817,877</b>

30 June 2008	Less than 3 months \$	3 Months to 1 year \$	Total Contractual Cash Flows \$	Carrying Amount (Asset)/Liabilities \$
Creditors & accruals	257,971	-	257,971	257,971
Uncalled capital liability	-	170,905	170,905	170,905
Employee entitlements	62,203	-	62,203	62,203
Current tax liabilities	2,098,323	22,055	2,120,378	2,120,378
Vested benefits	317,694,335	-	317,694,335	317,694,333
<b>Total</b>	<b>320,112,832</b>	<b>192,960</b>	<b>320,305,792</b>	<b>320,305,790</b>

Vested benefits have been included in the less than 3 months column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the fund can be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

#### Fair Value Estimation

The carrying amounts of all the Fund's financial instruments at the balance date approximated their fair values.