



**NEW ZEALAND  
POLICE ASSOCIATION  
ANNUAL REVIEW 2015**



## VISION

To be the most effective  
police association in the world

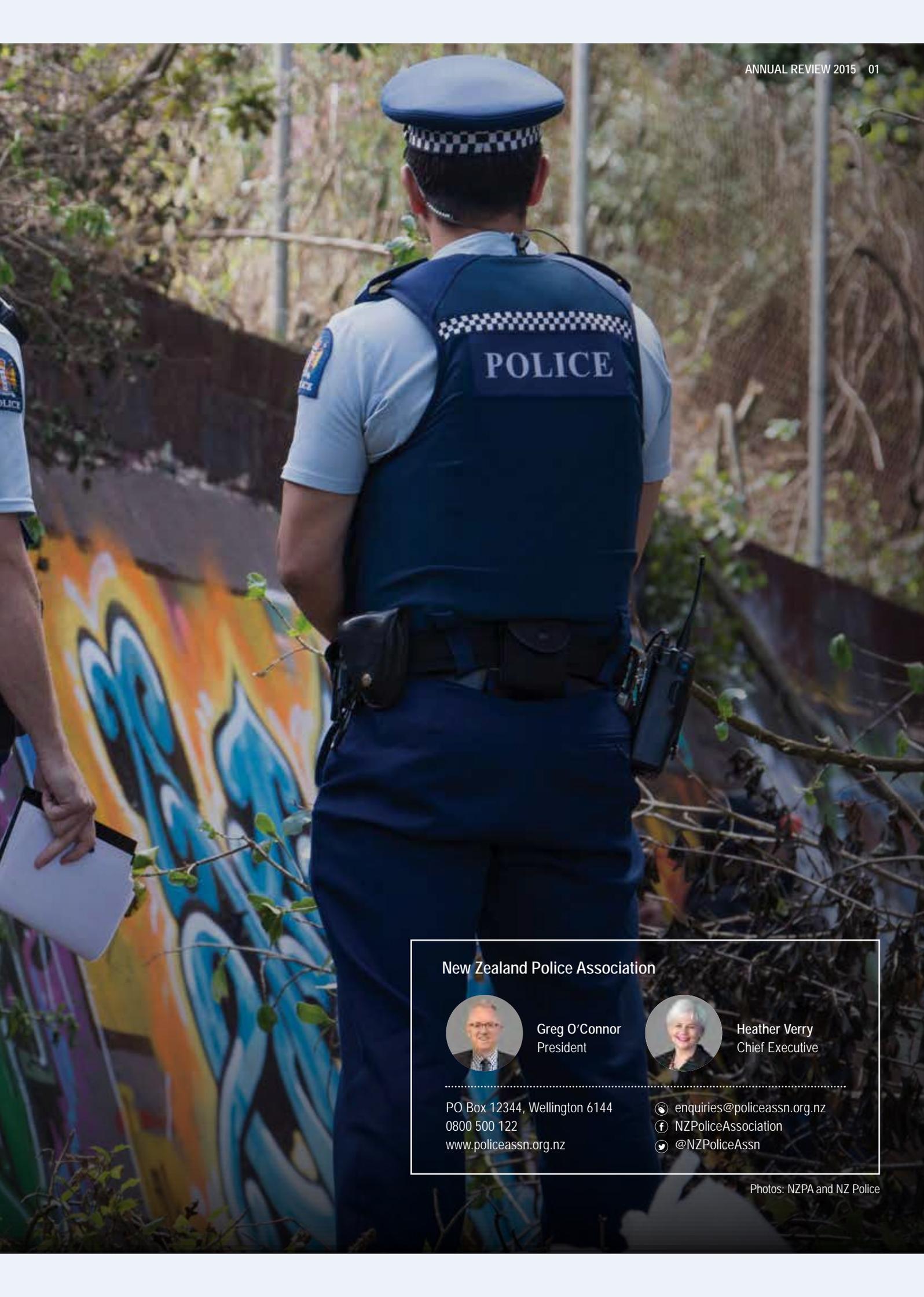
## MISSION

To enhance the wellbeing  
of police members and  
their families

## CONTENTS

- 03 President's Report
- 04 Chief Executive's Report
- 06 Women Shaping Policing
- 07 Industrial Matters
- 10 Legal Matters
- 12 Policy Submissions
- 13 Police Welfare Fund
- 17 2015 Annual Accounts Commentary
- 18 Summary Financial Statements





### New Zealand Police Association



**Greg O'Connor**  
President



**Heather Verry**  
Chief Executive

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*The joint Association and Police media conference announcing the decision to allow frontline response officers to carry Tasers was a unique event.*

# PRESIDENT'S REPORT

In reflecting on the past year at the Police Association, the best place to start is with what we have been able to deliver to our members.

Our strategy is always to enhance the wellbeing of our members and their families, and the wide range of services we deliver gives us ample opportunity to do that.

Our most notable success this year was the Commissioner's decision to allow all frontline response officers the right to carry Tasers at all times. Previously, officers were only permitted to do so when the circumstances justified, and many were caught in situations where their Taser was locked in a car metres from where it was needed to resolve a situation in the safest manner. The joint Police Association and Police media conference publicly announcing the decision was a unique event.

The Association has learned that when presenting a case for improvements to the legislative or operational environment, it is important to be well researched and patient. In recent years, members have been equipped with stab-proof vests, pepper spray, batons, officer alarms, Tasers and vastly improved firearms availability. These are all improvements the Association argued for, and which have improved not only officer safety, but also that of the public.

Being well informed means media and politicians, in particular, know that the position taken by the Association comes from a credible base. In this respect, our members are the best source of information, and our network of committees ensures that our researchers at National Office have ready access to the information they require.



The Police Association Board. Absent: Emmet Lynch.

It is also useful that the Association chairs ICPRA, the international body of police associations with over 1.5 million members. This means we can easily access international research and we are at the forefront of recognising trends and changes to the policing environment.

This year I visited Colorado to speak with police officers there about the impact on the policing environment of the legalisation of cannabis. Having obtained a detailed understanding of the changes, the Association is well placed to contribute to the cannabis debate in New Zealand, including on the topical issue of medical marijuana.

Our credibility ensures the Association is able to access politicians and decision-makers at every level, and ensures our position on certain issues is understood. In the past year the Association was able to speak with several senior cabinet ministers on issues of interest to members. It is essential that such access is valued and used sparingly.

This year also saw the appointment of a new Chief Executive, Heather Verry, who replaced Chris Pentecost. Chris had held the position for 17 years and left the organisation in a very healthy financial state. Heather now has the opportunity to build on that base and ensure our members continue to benefit.

It is important that in considering the individual services offered by the Association group, we continually assess the overall strength and recognise the symbiotic relationship between all parts of the organisation.

The Police Health Plan appointed its first independent chairman this year, a requirement of the Reserve Bank. Ralph Stewart brings a wealth of experience from the business community to the position, and the Welfare Fund and Association directors can have absolute confidence that the Health Plan will continue to offer a highly competitive service to members.

As the Chair of both the Association and the Welfare Fund, I am confident that the services and products offered by the Association group, from industrial and legal services through to insurances, welfare and holiday homes, will assure members that they receive excellent value for their membership, and that our goal of enhancing members' wellbeing will continue to drive all Association and Welfare Fund strategy.

Greg O'Connor

# CHIEF EXECUTIVE'S REPORT

## The past year has been one of change and opportunity for the New Zealand Police Association.

As the new chief executive officer, I arrived at the end of last year to take up the administrative reins of a strong and sustainable organisation and I have been able to build on the solid foundations created by former CEO Chris Pentecost and Association President Greg O'Connor.

We started 2015 with strategic reviews of the Association and the Police Health Plan. We focused on organisational development, financial sustainability, advocacy, relationships and promotion.

As a result of the reviews we are examining our processes to identify our strengths and weaknesses and which areas need improving and updating. The key focus for any proposed change is to ensure that we provide the best possible service to members.

These changes are also designed to put us in a better position for the future and ensure we remain compliant with new legislation, such as the proposed Health and Safety legislation currently progressing through Parliament.

Our new customer relationship management (CRM) system, Blueline 360, is now well implemented. Members will have noticed changes, notably the improved online booking system for our Holiday Home network. The next step will be developing online claims for the Health Plan.

We are replacing and modernising some of our old infrastructure and updating the PABX telephone system and our telecommunications to become more "member-centric". These are timely upgrades and will mean a better experience for members when they connect with our National Office in Wellington.

Our Health Plan review identified a strong financial position that enabled us to hold premiums this year and increase benefits.

We have also focused more on the promotion of the Association's member discount programme and expansion of the programme to include more popular providers. More members than ever are now taking advantage of the discounts available.



The refreshed Health Plan and Welcome Brochures.

We have revised our communications and marketing strategies, which resulted in refreshing our brand, including a new information pack for Police College recruits and changes to the way we package our Health Plan information.



*We have increased our social media presence and have more people than ever engaging with us through these forums.*



*I am impressed with how proactive and dedicated the activists are in support of issues on behalf of the membership. The strength of the Association depends on their dedication, together with the loyal and committed staff at National Office.*



At last year's Annual Conference, Prime Minister John Key presented a Police Association Bravery Award to Tauranga police officer Senior Constable Deane O'Connor.



Constable Rachel Clarke was awarded the 2014 Police Association Sportsperson of the Year Award.



The huia-feather-shaped pin continues to be an important part of Police Remembrance Day. The work of Association committees in making pins available leading up to Remembrance Day is greatly appreciated.

Meanwhile, the look and feel of the Association's flagship publication, *Police News*, continues to evolve while maintaining a high standard of content and engagement with members. Issues covered in *Police News* are often picked up by mainstream media and noted by politicians, making it an important platform for airing members' concerns.

The Association's prestigious annual Sportsperson of the Year Award was this year presented to North Shore constable Rachel Clarke, acknowledging her outstanding success in the international surf ski circuit in 2014.

The Association also sponsored and supported 20 Police sporting events and tournaments in New Zealand and overseas, including the popular raft race, rugby, netball, football, surfing, golf, mountain biking, basketball and skiing and snowboarding.

At last year's Annual Conference, Prime Minister John Key presented a Police Association Bravery Award to Tauranga police officer Senior Constable Deane O'Connor. In 2013, the 54-year-old officer had shown extraordinary heroism when he jumped off a bridge into Tauranga Harbour in the dark to rescue a man who had been involved in a car crash and was close to drowning. The pair spent nearly 40 minutes in the icy water, carried along by a strong current, before Constable O'Connor was able to steer them towards solid ground and waiting rescue teams.

Mr Key will present the Bravery Award(s) again this year at the Annual Conference.

Personally, it's been a busy year covering the range of Association activities, including the ongoing pay round negotiations, liaising with Police administration and maintaining positive links with our stakeholders, such as insurers and banks.

I have also attended two Police College graduations and particularly enjoyed the passing-out ceremony for the Louise Nicholas Wing. It was very moving seeing her connection with, and interest in, the recruits.

In travelling around the country meeting members and committee officials, I am impressed with how proactive and dedicated the activists are in support of issues on behalf of the membership. The strength of the Association depends on their dedication, together with the loyal and committed staff at National Office.

I am grateful to the staff, President and Board for their support as I transition into the CEO role. It has made the experience seamless and I feel lucky to have been able to undertake new ventures on behalf of our members.

I am looking forward to the year ahead as we continue the implementation of new technology and processes that will take the organisation forward to enable us to achieve our mission – to enhance the wellbeing of Police members and their families.

Heather Verry

# WOMEN SHAPING POLICING

## Police Federation of Australia Women's Advisory Committee (PFA WAC) Conference 2015

In April, the Police Association hosted delegates to the annual PFA WAC conference in Wellington.

New Zealand is a member of PFA WAC, which was formed in 2000 by the PFA to address the under-representation of women in police services and unions in both countries. The committee is made up of women elected as officials in their police unions or chosen to be a representative.

About 30 people attended the two-day conference which was opened by Police Association President Greg O'Connor. The theme was "Women Shaping Policing".

The issue of participation was at the forefront of the conference, particularly the attraction and retention of women officials in police associations/unions.

Speakers included women who have succeeded in traditionally male-dominated fields: Fiona Michel, deputy chief executive people NZ Police; Police Association activist Detective Sergeant Marcia Murray; deputy leader of the Labour Party Annette King; broadcaster Kathryn Ryan and Police Association CEO Heather Verry.

Mrs Verry told the conference that having strong female representation in police unions and in the decision-making process improved advocacy for all members.

There was agreement that progress was slow. Although there was a lot of goodwill around getting more women into the upper echelons of policing, finding how to do that was the hard part.

Delegates identified barriers to participation and representation that were not specific to policing, such as lack of quality child care, inflexible working arrangements and the timing of union meetings.

Delegate Scott Weber, president of the New South Wales Police Association, said the goal now was to put such issues front and centre in the minds of all decision-makers.



*The issue of participation was at the forefront of the PFA WAC conference.*

# INDUSTRIAL MATTERS

*Police are working with the Labour Inspectorate and the Association to rectify Holidays Act underpayments, which will affect over 10,000 current and former members of Police.*

## 73%

of members support Competency Service Increments.

## 17%

of members support Individual Performance Pay.

*2014 Pay round survey (Nielsen)*

## Police Employees and Constabulary Collectives

These two collectives expired on 30 June 2015 and remain the subject of negotiations. The Association's negotiating position has been strongly influenced by the results of the November 2014 member pay round survey, in which members said they wanted negotiations to focus on general wage increases as they were reasonably happy with their existing leave, superannuation and allowance arrangements. Performance pay was not to be entertained, with significant value placed on Competency Service Increments. Elected pay round advisers continue to provide wise counsel and feedback to the Association's negotiators.

## Police Managers Collective Agreement

The final general adjustment of 2% under this collective for inspectors and Police employee equivalents applied from December 2014. With the collective expiring December 2015, feedback has been sought from members in respect of matters they want pursued ahead of the bargaining process commencing in October.

December also marks the end of the first year of performance-related pay under this collective. Police has consulted with the Association during this period as it finalised aspects of the performance development and performance rating framework. This will be a real test of the robustness and fairness of the performance-related pay regime.

## Variations to Collectives

Variations were negotiated for prosecutions and members deployed to the G20 Brisbane summit. During the G20, where temperatures exceeded 30 degrees Celsius, Industrial staff spent significant amounts of time having the requirement to wear full stab-resistant body armour rescinded. Our Australian counterparts did not have the same requirement.



*Members deployed to the G20 last year were pleased not to have to wear stab-resistant body armour in temperatures exceeding 30 degrees celcius.*

## Holidays Act remediation project

Following a request in 2013 by the Association to the Labour Inspectorate to assist in resolving a Holidays Act interpretation dispute, the inspector identified a number of other issues around the calculation of earnings for work performed on statutory holidays. Police is now working with the Labour Inspectorate and the Association to rectify the underpayments, which will affect over 10,000 current and former members of Police. Police anticipates being able to finalise calculations and commence payments before the end of this calendar year. A significant amount of money is owed to members.

This follows the August 2014 announcement that 3,500 former members were underpaid a much smaller total of \$2.95 million in holiday payments on termination of their employment between 2004 and 2010.

## Reviews – restructuring

There have been over 140 reviews and restructures within Police since 2012. The frequency of these has reduced in the past 12 months, but Association staff still spent a considerable amount of time making submissions and supporting or guiding members through various reviews and restructures.

## Remand prisoners

Members raised concerns with the Association that excessive numbers of remand prisoners were being held in Police cells in Waitemata and that untrained and unauthorised security guards were being employed to monitor them. Association actions resulted in IPCA intervention around both practices, ensuring the safety of both Police staff and those being detained.



## Physical Competency Test (PCT)

While the Association continues to support the PCT, Police is continuing to remove members from their positions or restrict their duties due to non-certification of the PCT, regardless of their individual circumstances. There is no assessment of whether the member *"...is incapable of performing competently his or her duties and any other duties that may reasonably be required of the employee from time to time..."* as is required under the Policing Act 2008.

Members have previously been reluctant to pursue a case, but in October 2014 the Association lodged a personal grievance on a member's behalf. This grievance is now heading to the Employment Relations Authority for resolution.

## Rotations

The current rotations policy is inadequate in light of Police's increased use of it. The Association has been meeting with Police to update the policy to set clearer parameters around issues such as:

- what is a member's substantive position when on rotation during a restructure?
- do rotations circumvent the appointments process?
- is enough consideration being placed on the member's circumstances, e.g. career aspirations and impact on family of changing workplace location?

- in advertising generic district-based roles, what control do members have over where or how they rotate?
- are members being told how long their rotation is for and whether they will return to their substantive positions?

The Association has attempted to conclude this work both before and during pay negotiations, however Police has stated a preference for the policy to be finalised outside collective agreement negotiations.

## Rosters

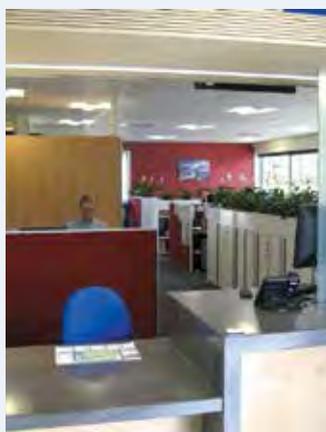
The Communication Centres have been the focus of proposed changes to roster arrangements with preferential based scheduling (PBS) being the subject of discussions during pay negotiations. This is a completely different rostering concept whereby staff submit their preferred work hours. Shifts/hours that cannot be accommodated then undergo a negotiation process.

The Association conducted a survey of crime reporting line members who were trialling PBS and found that, while there were some issues to be resolved, the large majority were keen to continue. This has assisted the Association in forming a position in those discussions with Police.

# 88%

of members continue to be very satisfied, satisfied or neutral about the advice they receive on employment and industrial issues, with an increasing number (60%) being either satisfied or very satisfied.

2015 NZPA Member Survey



*Open front counters such as this raised security and safety concerns among members, but are now being reviewed.*

## Police station front counters

Delegates raised security and safety concerns around front counters at the 2013 and 2014 Annual Conferences, specifically that staff safety was being compromised in favour of an open, customer-friendly environment. The Association actively pursued the matter with the Commissioner and his executive and, earlier this year, Police decided to review front counters, which was a significant change in emphasis by Police.

A working party of Association and Police representatives met in April, however little progress has been made. A range of security control measures were generated for wider consultation and the Association urged Police to engage a specialist security consultant to review them. This occurred after some initial resistance. A Police survey, with Association involvement, of all Police facilities with public counters should be completed before the end of 2015.

## Association representatives training

Twenty new chairs, vice-chairs and secretaries from around the country attended the four-day Office Holders course in April, which continues to be highly relevant to our office holders.

Twenty-four elected Association health and safety representatives completed police-specific health and safety training delivered by specialist trainers IMPAC over four days in July. This was jointly funded by the Association and Police.

## Police Superannuation Scheme

The Association continues to support the Police Superannuation Scheme with the Industrial Advocate as one of five trustees appointed to oversee the scheme.

As at 30 June 2015, the scheme had an accumulated value of \$1,694 million, up from \$1,566 million in the previous year. Five years ago the accumulated value stood at \$992 million.

There have been several legislative changes that have impacted on the PSS. The scheme is in a strong position to accommodate these changes, however smaller stand alone schemes may well decide to cease operating. In anticipation of the scheme's transition into the new regulatory framework provided by the Financial Markets Conduct Act 2013 (FMCA), the trustees resolved to establish a corporate trustee structure, PSS Trustees Limited, for the scheme.

This mirrors the current trustee appointment process, which has the service organisations and Police appointing two trustees each, with the fifth trustee appointed jointly by the four trustees.

Due to the compliance cost associated with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML Act), the trustees have had to cease receiving voluntary lump-sum contributions. However, additional regular contributions via the Police payroll of up to 10% on top of a member's required contributions are permitted.

# LEGAL MATTERS

## Legal assistance

Since 1999, a portion of member subscriptions has been diverted into the Association's legal assistance cost centre, and reserves have been built up to ensure appropriate and effective representation can be provided for members requiring legal assistance.

Legal assistance was provided to 118 members in the financial year to June 2015 at a cost of \$431,225 (excl. GST), ranging between \$300 and \$30,000 per member. This included providing support to 10 members facing civil claims or private prosecutions, some of which have continued on from previous years. Of these costs, the Association recovered \$114,205, or 26.5%, from Police.

Legal assistance costs continue to be minimised by the provision of a delegated authority at an early stage. This system works well, enabling the directors, field officers and selected National Office staff to authorise immediate legal representation for an initial interview or immediate advice. In the past year 95 delegated authorities were issued.

## Employment matters

The Association continues to progress employment issues for individual members, as well as specific work groups or for matters of significance to the wider membership.

The Association's National Office Legal team frequently provides legal opinions to Association staff, representatives and members as issues arise throughout the year. Representation and advocacy services are also provided to members who have raised employment relationship problems or personal grievances, or who are responding to allegations of misconduct and serious misconduct.

During the course of the financial year, \$7,875 (excl. GST) was spent seeking external legal opinions and representation on behalf of members (\$3,500 of this was recovered from Police).

## Code of Conduct

Matters under the Code of Conduct represent around 70 per cent of the day-to-day work of field officers and the National Office legal team and over 200 matters were dealt with this year. The Association's database of Code of Conduct matters now contains over 1,700 matters, canvassing every aspect of conduct and behaviour dealt with around the country since 2008.

Disciplinary hearings for serious misconduct no longer exist. The Association was hesitant about this initially, but to date there have been no significant issues. Dismissals are dealt with at the Assistant Commissioner level.

## Employment relationship problems and personal grievances

Where employment issues are identified at an early stage, a significant amount of time is spent trying to resolve matters with Police at a low level. These matters are treated as employment relationship problems and the Association has had a high rate of success in resolving these issues to the satisfaction of the members.

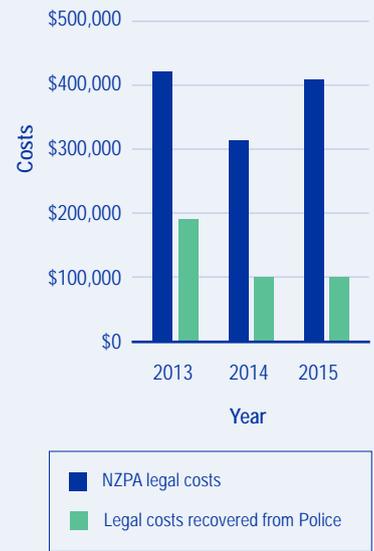
Personal grievances continue to be a large part of the Industrial and Legal teams' work. The majority of these are resolved at an early stage, but are progressed if necessary.

Support for members with an employment relationship problem or personal grievance may be discontinued if the Association does not consider the outcome will be favourable and it cannot justify the ongoing cost and time of representation to the wider membership.

## Policy work

The Legal team continues to work closely with the Industrial team consulting with Police on new policy initiatives and lobbying for amendments to existing policy where required. This year feedback was provided on an initial draft of the disciplinary policy and the Association will continue to consult with Police on this to ensure fair and robust processes and outcomes for members.

Legal assistance costs



**95%**  
of members continue to be very satisfied, satisfied or neutral with the legal assistance provided, with an increasing number (65%) being either satisfied or very satisfied.

2015 NZPA Member Survey



*Legal assistance costs continue to be minimised by the provision of a delegated authority at an early stage. This system works well, enabling the directors, field officers and selected National Office staff to authorise immediate legal representation for an initial interview or immediate advice.*

### IPCA reports

The Legal team assists members subject to adverse comment to prepare responses to draft IPCA reports pursuant to Section 31, Independent Police Conduct Authority Act 1988. This year about 35 submissions were made in response to draft reports. Some of these required a significant amount of work, but generally resulted in changes being made to the draft findings.

### Staff

A new field officer role was created for the Auckland City District in response to an increased workload in the Auckland region. Natalie Fraser commenced this role at the start of December 2014.

Catherine McEvedy replaced retiring field officer Dave McKirdy in the Canterbury and Tasman Districts role, and started in January 2015.



New field officers Natalie Fraser (L) and Catherine McEvedy (R).

# POLICY SUBMISSIONS

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High-quality engagement in policy processes, backed by strong research, is key to the Association being recognised as a leading commentator on issues affecting police and policing, and cementing a role as a recognised participant in the policy debate.

While the pace of legislation was slow in 2014/15 with law and order concerns low on the public and political agenda, the Association engaged on the following legislation, making submissions and appearing before select committees on behalf of members.

## Organised Crime and Anti-Corruption Legislation Bill

The Association supports this bill as it aims to strengthen the law to combat organised crime and corruption. This legislation is still progressing through Parliament.

## Drug and Alcohol Testing of Community-based Offenders and Bailees Legislation Bill

The Association supports this bill requiring community-based offenders and bailees who are subject to conditions prohibiting the use of drugs or alcohol to undergo testing to ensure compliance with these conditions. This legislation is still progressing through Parliament.

## Policing (Cost Recovery) Bill

This would amend the Policing Act 2008 to enable Police to recover costs for certain policing "demand" services, such as police vetting, where there is a direct benefit to the users of the service. The Association does not fully support this bill. While Police should be sufficiently funded to provide these "demand" services, the Association believes that where costs offer a public not private benefit, such as vetting, they should not be recovered from users of this service. This legislation is still progressing through Parliament.

## Harmful Digital Communications Bill

The Association supported this bill. Its purpose was to mitigate the harm caused to individuals by cyber-bullying and to provide victims of harmful digital communications with a quick and efficient means of redress. This bill received royal assent and was passed into law this year.



# POLICE WELFARE FUND

# 79%

of Police Health Plan members are satisfied or very satisfied with the service received.

2015 NZPA Member Survey

*A.M Best Company has assigned Health Plan a Financial Strength Rating of B++ (Stable) and an Issuer Credit Rating of bbb+ (Stable).*

## Welfare assistance

Welfare assistance provided to members to assist after a trauma or during times of need totalled \$35,894 in welfare grants, \$25,300 worth of petrol vouchers and 409 Holiday Home nights.

## Police Health Plan

A strategic review of the Police Health Plan was done this year. It benchmarked premiums and benefits against other health providers and focused on initiatives to enhance the membership experience while also ensuring the Plan remains solvent.

After several years of careful financial management, the Plan was able to hold premiums this year and provide members with a raft of additional benefits.

Health Plan is overseen by the Reserve Bank of New Zealand under the Insurance (Prudential Supervision) Act 2010, which requires the Plan to remain solvent and be able to meet current and future outstanding claims at all times. Health Plan is required to appoint a qualified independent actuary to evaluate financial performance and risks as they currently stand and for the next three years. The actuary reports independently to the Reserve Bank every six months.

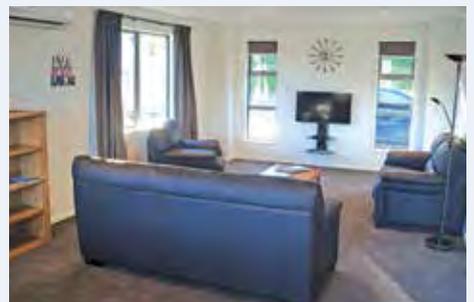
Health Plan is also required under the Act to acquire an international credit rating. A.M Best Company has assigned a Financial Strength Rating of B++ (Stable) and an Issuer Credit Rating of bbb+ (Stable).

## Holiday Homes

Two new Holiday Homes were built to replace the old home in Hanmer Springs and were opened in August 2014. Two homes were also built and opened this year in the heart of New Plymouth, adding a new destination members can enjoy year-round. This brings the portfolio of Holiday Homes to 62 homes nationwide and 31 campsites at Stanmore Bay. The New Plymouth houses are trialling broadband instead of a landline.

Online Holiday Home bookings continue to increase and ballots are now also processed online. Work is progressing on a waitlist system which will allow a member to be offered a home if one within their requested dates and location becomes available.

A full audit of the Holiday Homes has been completed to identify homes requiring repairs additional to the yearly maintenance plan and to assess their ongoing suitability within the portfolio.



*New Holiday Homes in New Plymouth give members another great destination to enjoy year-round.*

## Police Welfare Fund Year in Review

**0%**

increase in Police Health Plan premiums and substantial increases in benefits

**\$4.5**

million paid in Death/Critical Illness claims

**18,177**

Holiday Home nights (83% occupancy)

**\$735**

million in discounted Police Home Loans

**\$25**

million paid in claims to Police Health Plan members

Welfare assistance given:

**\$35,894**

in grants

**\$4.3**

million was paid in Police Fire & General Insurance claims

**\$25,300**

in petrol vouchers

**4**

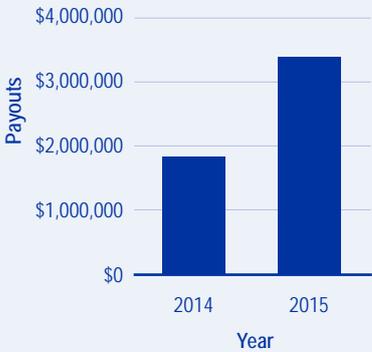
new Holiday Homes built

**409**

Holiday Home nights



### Police Group Life Insurance payouts



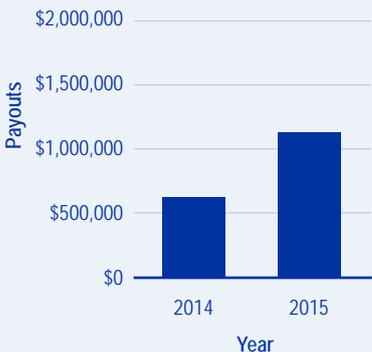
### Insurances

Police Fire & General Insurance claims worth \$4.3 million were paid out, excluding earthquake claims, which are recorded differently and not easily retrievable. Premiums have been held this year with no change, an excellent outcome for members in a market that has seen significant increases in premiums and changes to cover.

A new PWF Roadside Assist app will soon be available for Apple and Android smartphones for members who have "Full Cover" vehicle insurance through Police Fire & General Insurance. A great feature of the app is that it uses the phone's GPS to pinpoint your location, which 40 per cent of people don't accurately know when they break down.

Members are receiving a superior service from Allianz, the new travel insurance provider, and the number of policies taken out has increased by 20 per cent. Members can now take out a policy online 24/7 and an improved website will soon be available to make this even easier.

### Police Life Insurance Extra payouts



Police Fire & General Insurance provider Lumley has been bought by IAG and will soon be part of the NZI brand. Enhancements to policies to encompass NZI policy wording will take place in the near future.

Police Group Life Insurance (constabulary and Police employee) benefits totalling \$3.4 million were paid out on 18 policies (including Partner Cover), an increase from \$1.9 million on 12 policies in 2014. Police Life Insurance Extra paid \$1.1 million on 12 policies (including Partner Cover) in the last financial year, an increase from \$649,000 paid on seven policies in 2014.

Following a successful marketing campaign, 353 members took up extra life cover through Police Life Insurance Extra.

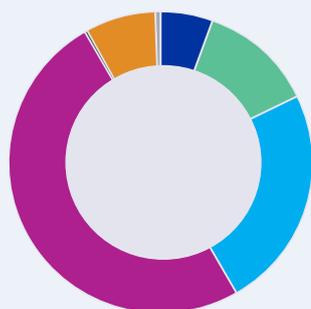


A new PWF Roadside Assist app will soon be available for Apple and Android smartphones for members who have "Full Cover" vehicle insurance through Police Fire & General Insurance.



# 2015 ANNUAL ACCOUNTS COMMENTARY

Members Funds 2015 –  
(Equity by Entity)



■	Police Association
■	Welfare Fund
■	Insurances
■	Health Plan
■	Blueline Premises
■	General Insurances
■	Mortgages

The financial statements of the New Zealand Police Association, Police Welfare Fund and their subsidiaries have been consolidated under NZ IAS 27, the accounting standard for consolidated financial statements for public benefit entities.

The financial statements provided in this report are summaries and do not provide as complete an understanding as the full financial reports. The full audited financial reports can be accessed by logging on to the Association's website: [www.policeassn.org.nz](http://www.policeassn.org.nz).

The auditor, BDO Wellington, has issued an unmodified audit opinion over the NZPA group financial statements.

## New Zealand Police Association (Police Association)

The Police Association contributed an operating surplus of \$48,700 to the group results compared with a loss of \$235,300 last year. This is due to a reallocation of field officer (\$211,200) and communication (\$465,300) costs to other entities in the group, which reflects where these costs are incurred.

## Police Welfare Fund Limited (Welfare Fund)

Total assets of the Welfare Fund increased from \$12.7 million last year to \$13.6 million this year due to the build of the New Plymouth Holiday Homes and the sale of the home at Hanmer. The Welfare Fund also received dividends from Police Welfare Fund General Insurances Limited of \$1.2 million to cover the construction of two homes at New Plymouth.

## Police Welfare Fund Insurances Limited (Insurances)

Insurances achieved a year-end surplus of \$233,700 compared with \$1.2 million last year, the difference being attributable to the biennial life insurance profit share received in 2014. Overhead costs increased by \$119,200 due to a reallocation of communication costs from the Police Association, which reflects where these costs were incurred.

## Police Health Plan Limited (Health Plan)

The Health Plan's surplus this year was \$6.3 million compared with \$3.4 million last year. Investment income was up by \$0.9 million due to the sale of shares previously held in Acuity Health. The main contributor to the surplus was an increase in the underwriting profit (premiums minus claims paid) from \$3.2 million to \$5.8 million.

## Police Welfare Fund Mortgages Limited (Mortgages)

Mortgages generated an operating surplus of \$406,400 for the current year compared with \$443,500 last year. Liabilities reduced from \$407,900 last year to \$35,200 because of the repayment of a loan from the Welfare Fund.

## Police Welfare Fund General Insurances Limited (General Insurances)

General Insurances generated an operating surplus before tax of \$1.5 million compared with \$2.6 million last year. The reduction is primarily due to the biennial insurance profit share received in 2014 and not due again until 2016.

## Blueline Premises Limited (Blueline)

Blueline generated an operating loss of \$95,100 before revaluations compared with the loss for the previous year of \$154,200. Total assets of \$7.2 million remained the same as last year, reflecting the valuation of the five floors in Willbank House owned by Blueline Premises.

# SUMMARY FINANCIAL STATEMENTS

## New Zealand Police Association Statement of Comprehensive Income 30 June 2015

	F2015 \$	F2014 \$
<b>Income Related to Membership Activities</b>		
Subscription Income	4,258,275	4,166,523
Investment Income	120,465	125,087
Legal Assistance Recovered	114,206	116,219
Other Income	166,119	149,781
<b>Total Revenue Generated</b>	<b>4,659,065</b>	<b>4,557,610</b>
<b>Operating Expenditure</b>		
Administration Costs	319,203	337,476
Audit Fees	14,196	13,400
Communications	232,219	660,728
Depreciation & Amortisation	223,808	165,809
District, Regional & Board Expenses	167,701	157,357
Employee Benefits	3,023,089	2,935,564
Industrial Research	77,224	56,822
Legal Assistance	435,600	348,625
Property & Premise Expenses	117,253	117,095
<b>Total Expenditure</b>	<b>4,610,293</b>	<b>4,792,876</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>	<b>48,772</b>	<b>(235,266)</b>

New Zealand Police Association  
Statement of Financial Position  
30 June 2015

	F2015 \$	F2014 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash & Cash Equivalents	2,327,565	1,925,536
Trade & Other Receivables	87,516	219,960
Investment Bonds	1,063,037	1,000,895
<b>Total Current Assets</b>	<b>3,478,118</b>	<b>3,146,391</b>
<b>Non-Current</b>		
Investment in Subsidiary	1,201,200	1,201,200
Property Plant Equipment & Software	959,199	839,071
<b>Total Non-Current Assets</b>	<b>2,160,399</b>	<b>2,040,271</b>
<b>TOTAL ASSETS</b>	<b>5,638,517</b>	<b>5,186,662</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade & Other Payables	900,053	403,439
Employee Leave Entitlements	284,932	394,317
<b>TOTAL LIABILITIES</b>	<b>1,184,985</b>	<b>797,756</b>
<b>EQUITY</b>		
Retained Earnings	4,404,650	4,371,662
Investment Reserve	48,882	17,244
<b>TOTAL EQUITY</b>	<b>4,453,532</b>	<b>4,388,906</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,638,517</b>	<b>5,186,662</b>

The full financial statements can be found by logging on to the Association's website: [www.policeassn.org.nz](http://www.policeassn.org.nz)

## New Zealand Police Association and Subsidiaries

### Statement of Comprehensive Income

#### 30 June 2015

	F2015 \$	F2014 \$
<b>Income Related to Membership Activities</b>		
Subscription Income	5,169,020	5,076,934
Holiday Home Income	1,014,880	906,132
Insurance Commissions	2,164,841	2,279,392
Investment Income	2,844,057	2,567,455
Insurance Profit Shares	363,545	2,190,144
Legal Assistance Recovered	114,206	116,219
Other Income	482,411	465,205
<b>Total Revenue Generated</b>	<b>12,152,960</b>	<b>13,601,481</b>
<b>Underwriting Surplus/Deficit</b>		
Premium Revenue	31,474,087	29,708,291
Net Claims Expense	25,636,112	26,500,949
	<b>5,837,975</b>	<b>3,207,342</b>
<b>Operating Expenditure</b>		
Administration Costs	737,768	742,623
Welfare Benefits	106,675	77,557
Holiday Home Expenses	1,070,999	922,509
Audit Fees	70,218	66,023
Communications	882,349	850,509
Depreciation & Amortisation	661,191	574,332
District, Regional & Board Expenses	197,620	214,841
Member Services	237,958	305,866
Employee Benefits	5,089,036	4,570,263
Insurance & Other Fees	243,963	223,830
Industrial Research	77,224	56,822
Legal Assistance	435,600	348,625
Property & Premises Expenses	533,968	495,925
<b>Total Expenditure</b>	<b>10,344,569</b>	<b>9,449,725</b>
<b>Surplus Before Income Tax</b>	<b>7,646,366</b>	<b>7,359,098</b>
Income Tax Expense	331,233	677,480
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>7,315,133</b>	<b>6,681,618</b>

**New Zealand Police Association and Subsidiaries**  
**Statement of Financial Position**  
**30 June 2015**

	F2015 \$	F2014 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash & Cash Equivalents	48,347,378	39,443,723
Trade & Other Receivables	1,020,268	2,728,976
Other Investments	920,648	2,226,332
Investment Bonds	8,357,711	7,865,867
<b>Total Current Assets</b>	<b>58,646,005</b>	<b>52,264,898</b>
<b>Non-Current</b>		
Investment Property	2,035,000	2,110,000
Loan to Fifty Seven Willis Street	1,618,975	1,618,975
Other Investments	13,432	13,432
Property Plant Equipment & Software	17,754,420	16,270,398
<b>Total Non-Current Assets</b>	<b>21,421,827</b>	<b>20,012,805</b>
<b>TOTAL ASSETS</b>	<b>80,067,832</b>	<b>72,277,703</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade & Other Payables	1,704,441	513,719
Provision for Claims	4,875,000	6,388,000
Premiums Received in Advance	1,232,000	176,000
Provision for Income Tax	66,721	228,384
Holiday Home Income Received In Advance	312,530	297,901
Employee Leave Entitlements	506,618	618,311
<b>TOTAL LIABILITIES</b>	<b>8,697,310</b>	<b>8,222,315</b>
<b>EQUITY</b>		
Retained Earnings	70,109,098	62,738,741
Other Reserves	1,261,424	1,316,648
	<b>71,370,522</b>	<b>64,055,389</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>80,067,832</b>	<b>72,277,704</b>

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You have reached the end of the New Zealand Police Association Annual Review 2015.  
Please flip over to read the Police and Families Credit Union Annual Review 2015.