



FAIR WORK
AUSTRALIA

25 November 2010

Mr. A. Johnson
Secretary

Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union

Email: lgrceu@tpg.com.au

Dear Mr Johnson

Financial reports of the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union for the years ended 31 December 2006 and 31 December 2007 (FR2006/665 and 2007/627)

Thank you for lodging the financial reports of the abovenamed organisation for the years ended 31 December 2006 and 31 December 2007. The documents were lodged in this office on 28 October 2010.

Examination of the financial report for the year ended 31 December 2006 has shown that matters requiring advice have either been corrected or repeated in relation to the organisation's financial report for the year ended 31 December 2007. The following comments are in relation to the year ended 31 December 2007.

In light of the organisation's circumstances I propose on this occasion to file the financial reports.

In future, the various elements comprising the reporting process must be done in sequence as required by the relevant legislative requirements. Future financial reports will not be filed in the absence of full compliance with all the legislative requirements.

I direct your attention to the following comments concerning the above report and the financial reporting obligations under the RO Act. Please note that these matters are generally advised for assistance in the preparation of future financial reports. No further action is required in respect of the subject documents.

1. Financial Report

Financial documents lodged with Fair Work Australia are required by subsection 268(c) of the RO Act to be filed under cover of a certificate by a designated officer, in this case, the Secretary of the organisation, stating that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266. Such reports should be prepared, audited, supplied to members, presented to a meeting and lodged with Fair Work Australia within certain timescale requirements (see enclosed Diagrammatic Summary).

I note that the financial report was presented to the Federal Executive on 3 September 2010 and supplied to members on 22 October 2010.

As you know section 266 makes provision for the methods by which a reporting entity may satisfy its obligation to present the full report to members. The purpose of the financial reporting provisions generally is to ensure disclosure to members and, to offer those

members an opportunity to raise any matter that concerns them regarding material disclosed in that information. The vehicle for members to achieve this is either at a general meeting of members or at a meeting of the committee of management. The latter option is only available if the precondition in subsection 266(3), that is the 5% rule, is satisfied. The organisation's rules do not satisfy the abovementioned precondition in relation to the financial documents of the organisation.

In these circumstances, the alternatives require the presentation of the relevant documents to a general meeting of members, or at a series of meetings at different locations (this alternative is only available if the rules make provision for such meetings). It should also be noted that the financial reports cannot be supplied to members via a general meeting unless either all members attended the general meeting or those not in attendance were supplied with a copy by other means. Also, financial documents should be provided to members at least 21 days before the general meeting at which the documents are to be presented [refer s.265(5)(a)].

2. Auditor's Report

- (a) The opinion expressed by the auditor in their report has not fully met the requirements of the RO Act. Section 257(5) now sets out the matters on which an auditor is required to state an opinion. An acceptable wording would be as follows:

“In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the RO Act.”

- (b) I note the auditor states that in their opinion the financial report is in accordance with the Corporations Act 2001. Such reference should be to the Fair Work (Registered Organisations) Act 2009.
- (c) I further note that the Auditor's Report is undated. All documents as a matter of course should be dated.

3. Statement of changes in equity

Section 253(2)(a) of the RO Act requires that a general purpose financial report consist of a balance sheet, income statement, statement of cash flows and any other statements required by the Australian Accounting Standards. AASB 101(10) requires that a financial report include a statement of changes in equity. There is no statement of changes in equity included in the report provided to Fair Work Australia although I note the auditor's report refers to the document. Please ensure that future financial reports contain a statement of changes in equity.

4. Operating Report

- (a) Results of principal activities

I refer to the Operating Report, in particular to the “results of operation”. I note that section 254(2)(a) of the RO Act requires the operating report to include a review of the principal activities of the reporting entity, the results of those activities and any significant changes in the nature of those activities.

The “results of operation” requirement contemplates reference in the operating report to results directly related to the principal activities as opposed to the reporting entities financial result, particularly as measured in dollar ‘surplus’ or ‘loss’ terms. Although this may not be stated explicitly in the text of the subsection, I think it is reasonable to infer this is what the legislators had in mind given that the subsection is referring primarily to the principal activities and secondly, the actual financial outcome is elaborated elsewhere in the financial documents, such as the Balance Sheet and/or the Profit and Loss statement.

(b) Right of members to resign

Subsection 254(2)(c) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of the RO Act. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 58 of the organisation’s rules is applicable.

(c) Number of members

Subsection 254(2)(f) of the RO Act and regulation 159(a) of the Fair Work (Registered Organisations) Regulations 2009 (the FWRO Regulations) require the operating report to contain information pertaining to the number of persons that were employees of the reporting unit at the end of the financial year.

(d) Number of employees

Subsection 254(2)(f) of the RO Act and regulation 159(b) of the FWRO Regulations require the operating report to contain information pertaining to the number of persons that were employees of the reporting unit at the end of the financial year.

(e) Trustees of superannuation entities

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation. If the reporting unit had no officers or members falling within such a positive statement to that effect should be provided.

The operating report did not provide the above information. Future operating reports should provide all required information.

5. Disclosure of contributions from another reporting unit

Reporting Guideline 10(b) requires that where contributions from another reporting unit are received, the amount and the name of each reporting unit are to be disclosed in either the profit and loss statement or the notes. Also, Reporting Guideline 15 requires that where another reporting unit of the organisation is the source of a cash inflow or the application of cash outflow, such cash flow should be separately disclosed and that the name of the other reporting unit be shown in the notes.

If contributions are made or received from another reporting unit of the organisation, any such contributions and the name(s) of the reporting unit(s) should be disclosed either in the income statement or the notes. Also the name(s) of the reporting unit(s) and the amount of any cash flows between reporting units are to be disclosed in the notes.

6. Employee Benefits

The Reporting Guidelines require reporting units to disclose in the income statement or in the notes employee benefits to holders of office (item 11(g)) and employee benefits to other employees (item 11(h)).

I note that the income statement does not distinguish between employee benefits for office holders and other employees. Employee benefits for office holders and other employees should be separately disclosed.

The Reporting Guidelines also require either the balance sheet or the notes disclose any liability for employee benefits in respect of office holders and other employees (items 14(c) and 14(d)). Neither the balance sheet or notes disclose these liabilities. Provisions for office holders and other employees should be separately disclosed.

7. Recovery of Wages Activity

I note that the accounts do not provide any information in relation to any recovery of wages activity.

Where the reporting unit has not undertaken any recovery of wages activity for the financial year a statement by the auditor to the effect that there was no recovery of wages activity for the financial year would be sufficient.

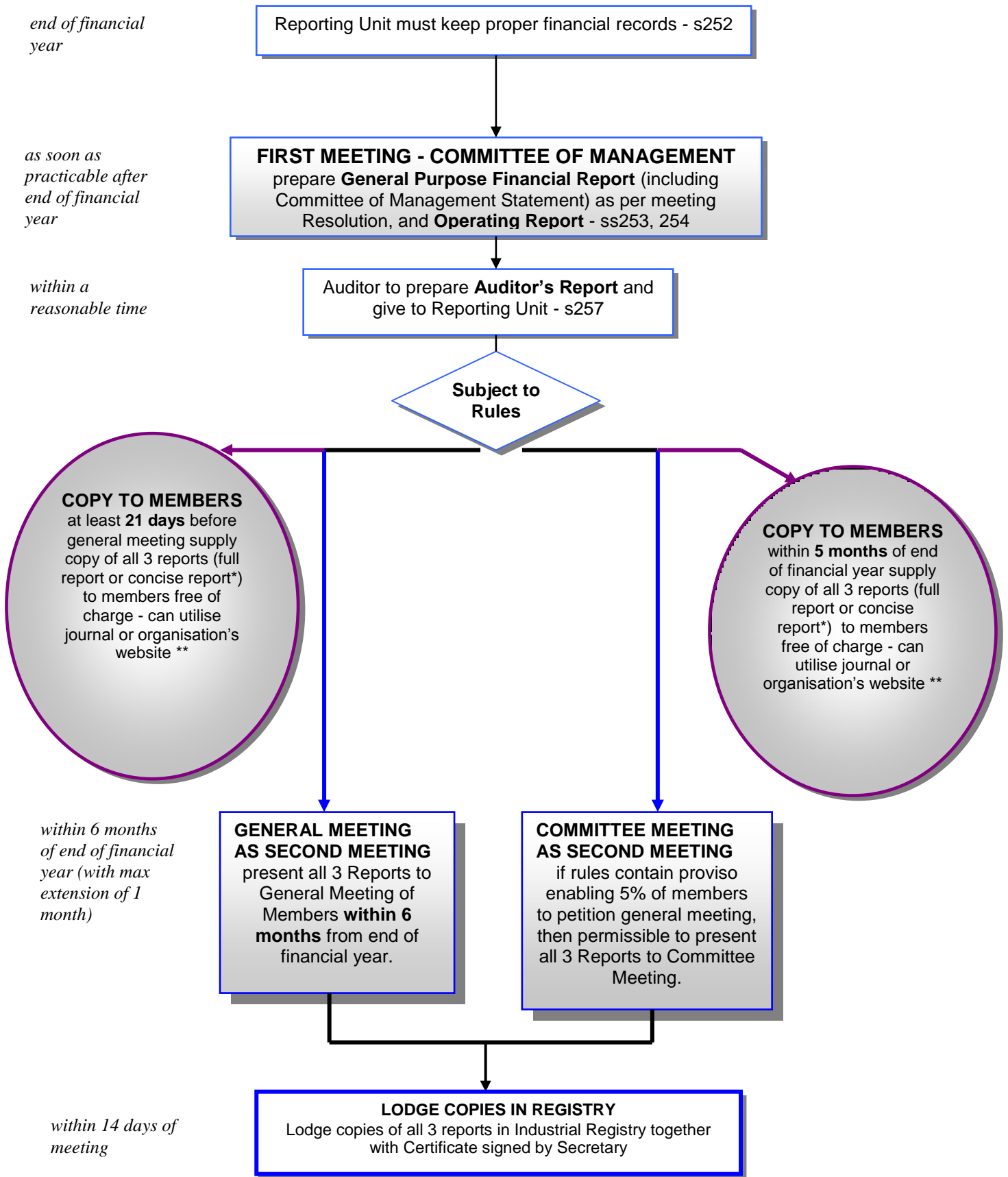
Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Tribunal Services and Organisations

Financial Reporting Timeline (RAO Schedule)



* concise report may be provided if s265(1)-(4) complied with. ** report may be supplied through organisation's journal or on organisation's website subject to particular specifications as per RAO regulation 18.

LGRCEU



FORMERLY THE **MEU**
FOR OVER 105 YEARS

*Western Australian Shire Councils, Municipal Road Boards,
Health Boards, Parks, Cemeteries and Racecourses,
Public Authorities Water Boards Union*

SECRETARY ANDREW JOHNSON

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FAX: (08) 9328 4792

1800 199 945

25th of October 2010

Mr L Powell, Statutory
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Powell,

RE: FULL FINANCIAL REPORTS/COMMITTEE OF MANAGEMENT STATEMENTS/OPERATING REPORTS AND AUDITOR'S REPORTS FOR 2006 AND 2007

In accordance with the RAO schedule for the Fair Work Act 2009 please find attached the documents as described above with accompanying certificates.

Please also find attached a courtesy communication received from the organisation's accountant addressed to our State Counter part body outlining the progression of his work to bring the federal organisation's financial reporting into full compliance.

Yours faithfully,

Andrew Johnson
SECRETARY

Encl.

FILE COPY

24 June 2010

Western Australian Municipal Road Boards,
Parks and Racecourse,
Employees' Union of Workers, Perth
112 Charles Street
West Perth WA

Attention Andrew Johnson

Andrew

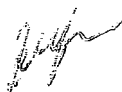
Re:- Completion of accounting work

I am currently working towards draft financial statements for the year ended 31 December 2008, the six months ended 30 June 2009 and the year ended 30 June 2010 for the

1. Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries And Racecourse, Public Authorities, Water Boards Union and
2. WA Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourses, Public Authorities Water Boards Union (WA Division).

Barring further unforeseen complications, I expect these draft financial statements to be available for consideration by the Board and the auditor during December 2010.

Kind regards



DFE Telfer FCA

CERTIFICATE OF FEDERAL SECRETARY

Pursuant to the Provisions of the Fair Work Act 2009

I, Andrew Gerard Johnson, Federal Secretary of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union, certify that:

1. That documents lodged herewith are copies of the full report referred to in s268 of RAO Schedule and;
2. On the 22nd of October 2010 the members received individual notice by written advice of the availability of the full report on the union's website and the right to individual copies of the documents.
3. The full report was presented to the Federal Executive on the 5th of July 2010 in accordance with Section 268 of the RAO Schedule.

Yours faithfully

a. a. Johnson

Andrew Johnson
Federal Secretary

Dated this *25th* day of *October* 2010



WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD BOARDS,
HEALTH BOARDS, PARKS, CEMETERIES AND RACECOURSE, PUBLIC
AUTHORITIES WATER BOARDS UNION

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

I N D E X

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**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

OPERATING REPORT FOR REPORTING YEAR ENDED 31 OF DECEMBER 2006

1. Principal Activities.

The Union acts as the federal body to representative State and divisional bodies of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Unions within Australia.

There were no significant changes to the principal activities of the Union.

2. Significant changes to the financial affairs of the Federal Body.

There were no significant changes to the financial affairs of the Federal Body

3. Committee of Management

During the reporting period, the following persons held the following offices of the Union:

President: David James	elected 2 May 2006
Vice President: Dean Stephens	elected 2 May 2006
Secretary: Andrew Johnson	elected 22 March 2006
Assistant Secretary: Andrea Ballantyne	elected 22 March 2006
Treasurer: Stuart Barron	elected 2 May 2006



David James
President

5/7/2006

Dated

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD BOARDS,
HEALTH BOARDS, PARKS, CEMETERIES AND RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS
UNION**

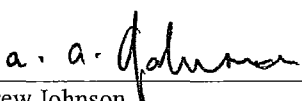
COMMITTEE OF MANAGEMENT STATEMENT

On 5th of July 2010 the Committee of Management of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union (the "Union") passed the following resolution in relation to the general purpose financial report ("GPFR") for the reporting unit for the financial year ended 31 December, 2006.

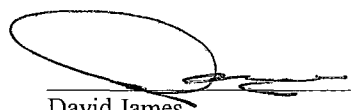
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a). the financial statements and notes comply with the Australian Accounting Standards;
- (b). the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c). the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;
- (d). there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable;
- (e). during the financial year to which the GPFR relates and since the end of the financial year;
 - (i). meetings of the Committee of Management were held in accordance with the rules of the organisation, and
 - (ii). the financial affairs of the Union have been managed in accordance with the rules of the organisation, and
 - (iii). except as outlined in Note 1 (a) the financial records of the Union have been kept and maintained in accordance with Registration and Accountability of Organisations (RAO) Schedule & Regulations; and
 - (iv). Except as outlined in Note 1 (a) the financial records of the Union have been kept as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v). to the knowledge of any member of the Committee, no information has been sought in any request by a member of the Union or a Registrar duly made under Section 272 of the RAO; and
 - (vi). no orders have been made by the Commission under Section 273 of Schedule 1B to the Workplace3 Relations Act, 1996.

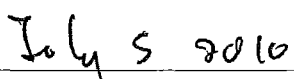
For the Committee of Management



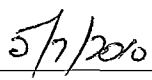
Andrew Johnson
Secretary



David James
President



Dated



CARLTON & PARTNERS

CERTIFIED PRACTISING ACCOUNTANTS

Business Address: FIRST FLOOR 9-11 DRAKE STREET, OSBORNE PARK WA 6017

Telephone: (08) 9201 0611

Fax: (08) 9382 3404

Independent auditor's report to the members of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union.

We have audited the accompanying financial report of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union (the Union), which comprises the balance sheet as at the 31 December 2006, the income statement, statement of changes in equity, cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management's Statement.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) and with the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

Independence

In conducting our audit we have met the independence requirements of the Australian accounting bodies.

Auditor's Opinion

In our opinion the financial report of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union is in accordance with the *Corporations Act 2001*, including:

- (i) subject to the restrictions outlined in Note 1 (a) of these financial statements, giving a true and fair view of the Union's financial position as at 31 December 2006 and of its performance for the year ended on that date; and
- (ii) complying with accounting standards in Australia (including Australian Accounting Interpretations), the Workplace Relations Act 1996 and the Corporations Regulations 2001.

Carlton & Partners

G Wovodich

Registered Company Auditor

Perth, Western Australia

25th July 2010

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	\$
Revenue	
Capitation Fees Received	158,955
	<hr/>
Expense	
Employee costs	141,920
Other expenses from ordinary activities	17,035
	<hr/>
	158,955
	<hr/>
Surplus (Loss) for the year	-
	<hr/> <hr/>

The accompanying notes form part of these financial statements

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	
CURRENT ASSETS		
Receivables	2	303,206
TOTAL ASSETS		<u>303,206</u>
NON-CURRENT LIABILITIES		
Bank overdraft	3	73,654
Creditors	4	89,694
Provisions for Employee entitlements		139,858
TOTAL NON-CURRENT LIABILITIES		<u>303,206</u>
TOTAL LIABILITIES		<u>303,206</u>
NET ASSETS (DEFICIENCY)		<u><u>-</u></u>
EQUITY		
Equity attributable to Members		-
Accumulated surpluses		-
TOTAL EQUITY (DEFICIENCY)		<u><u>-</u></u>

The accompanying notes form part of these financial statements

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

Note 1 - Statement of significant accounting policies.

- a. **Basis of Preparation**
Other than direct expenses, operating expenses have always been accounted for globally and not allocated separately to The Perth union, the W.A. Division or the Federal Body.
The accounting procedures adopted in the recording and maintenance of the day-to-day transactions are such that it is not practical to reconstruct the accounting records to allocate global income and expenses between the entities.
Under these circumstances, in the years up to and including the year ended 31 December 2005, both entities prepared and distributed to members consolidated financials encompassing the combined operations of all three entities.
Fair Work Australia has determined (letter dated 12 May 2010) that "the provision of a consolidated financial report would not comply with the financial reporting requirements" and that the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities Water Boards Union is required to provide a financial report solely in respect to that reporting entity.
In order to comply with the reporting requirements of Fair Work Australia, all income received and expenses incurred (apart from identifiable direct income receipts and expenses incurred) have been apportioned equally between the W.A. Divisional and the Perth union.
Except where stated, the accounting procedures and policies set out in these notes, are consistent with the accounting procedures and policies used in prior years in the day to day activities of the Unions and in preparing financial statements.
- b. **Income tax**
No provision for income tax is necessary for either Union because both are exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997. Tax effect accounting is therefore neither applicable nor applied in the preparation of these financial statements.
- c. **Employee benefits**
Provision is made in accordance with the Workplace Relations Act 1996, for the organisations' liability for accrued employee benefits owing as at 31 December 2006 arising from services rendered by employees to that date.
- d. **Provisions**
Provisions are established when the Unions have a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.
- e. **Goods and services tax (GST)**
Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of the asset or the expense. Receivables and payables in the balance sheet are shown exclusive of GST.
- f. **Comparative figures**
In prior years, other than direct expenses, operating expenses also have been accounted for globally and not allocated separately to the three entities. For this reason it is not practical to provide consolidated comparative figures from the 2005 financial statements.
- h. **Critical accounting estimates and judgments**
The Executive Council evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events based on current trends and economic data.

Note 2 - Receivables

	\$
Amounts owing by related entities	
W.A. Division	181,451
W.A. (Perth) Union	121,755
	<u>303,206</u>

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

Note 3– Bank Overdraft

The bank overdraft is secured on freehold property owned by the Western Australian Division.

Note 4 - Creditors

	\$
Trade Creditors	54,581
Owing to Employees	35,113
	<hr/>
	89,694
	<hr/>

Note 5– Segment reporting

The Union operates in the one business and geographical segment being the industrial relations sector providing services to members of their organisations throughout Australia

Note 6 – Organisation details

The registered office and principal place of business is
112 Charles St
West Perth Western Australia 6005

Note 7 – Key Management personnel

Executive Council Members

President – David James

Secretary – Andrew Johnson

Assistant Secretary - Andrea Ballantyne

Treasurer – Stuart Barron

Note 8 – Use of “LGRCEU” in Union activities.

- a. These initials stand for "Local Government, Racecourses and Cemeteries Employees' Union", which the Executive Committee believes, is a generic description of the activities of the Union, These initials are used extensively in the day to day activities including stationery used by the Union.
- b. Neither the initials "LGRCEU" nor the name "Local Government, Racecourses and Cemeteries Employees' Union" are registered under the Business Names Act 1962 of Western Australia.

Note 9 – Information to be provided to Members or Registrar

In accordance with the requirements of the Registration and Accountability of Organisations Schedule (RAO) (Schedule 1 to the Workplace Relations Act 1996), the attention of Members is drawn to Section 272 which reads as follows:

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
3. A reporting unit must comply with an application made under subsection 1.