



2 March 2016

Mr Andrew Johnson
Secretary

Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries
and Racecourse, Public Authorities, Water Boards Union – Western Australian Division
112 Charles Street
West Perth WA 6005

By e-mail: lgrceu@tpg.com.au

Dear Mr Johnson

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

Financial Report for the year ended 30 June 2015 - FR2015/300

I acknowledge receipt of the amended financial report for the year ended 30 June 2015 for the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union – Western Australian Division. The financial report was lodged with the Fair Work Commission (FWC) on 23 February 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

CERTIFICATE OF WA DIVISION SECRETARY (2015)

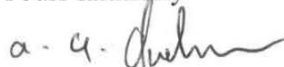
*Pursuant to Section 268(c) of the
Fair Work (Registered Organisations) Act 2009*

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

1. That documents lodged herewith are copies of the amended full report referred to in s253 of the Fair Work (Registered Organisations) Act 2009 and;

2 On the February 22nd 2016 the amended full report was published and made available on the organisation's website as per advice received from the Fair Work Commission in correspondence dated November 27 2015, 22 December 2015 and February 2016.

Yours faithfully



Andrew Johnson
WA Division Secretary

Dated this 23rd day of February 2016



WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD BOARDS, HEALTH
BOARDS, PARKS, CEMETERIES AND RACECOURSE, PUBLIC AUTHORITIES, WATER
BOARDS UNION – W.A. DIVISION

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL
ROAD BOARDS, HEALTH BOARDS, PARKS, CEMETERIES
AND RACECOURSE, PUBLIC AUTHORITIES, WATER
BOARDS UNION – W.A. DIVISION

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

Registered office:

112 Charles Street
West Perth
Western Australia 6005
Telephone: (08) 9328 5854
Facsimile: (08) 9328 4792

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

COMMITTEE OF MANAGEMENT STATEMENT

On the 15th February 2016 the Committee of Management of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union W.A. Division (the "Union") passed the following resolution in relation to the amended general purpose financial report ("GPFR") for the reporting unit for the financial year ended 30 June 2015.

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 General Manager;
- (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.) the financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 & Regulations; and
 - (iv.) 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 Fair Work (Registered Organisations) Act 2009; and
 - (vi.) no orders have been made by the Commission under Section 273 of Schedule 1B to the Fair Work (Registered Organisations) Act 2009.
 - (vii.) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

As authorised by the Committee of Management



Andrew Johnson
Secretary

Dated this 15th day of February 2016

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

OPERATING REPORT FOR REPORTING YEAR ENDED 30 JUNE 2015

1. Review of the Union's Principal Activities.

- A. The Union maintained a high level of industrial servicing of membership with an average meeting schedule with member and employer of plus 10+ meetings per week with the industrial staff and organising staff at the union's disposal. The industrial and servicing activities centred around negotiation of collective bargaining agreements; resolution of individual member disputes with employers dealing with a range of matters not limited to but including; disciplinary hearings, classification disputes; workers compensation claims; equal opportunity claims; underpayment of wages and entitlements disputes and like matters.
- B. The continuing maintenance of federal agreements negotiated by the organisation.
- C. The continued involvement of the organisation in industry training initiatives.
- D. The further enhancement of the union website for reporting to and receiving communication from membership.
- E. Continued work towards compliance with federal reporting requirements.
- F. Continued publication of union newsletters and website information.
- G. The amendment of the union's rules in accordance with new obligations arising under the Fair Work (Registered Organisations) Act 2009 and consequential regulations.
- H. The election of new office bearers in November 2014.
- I. The attendance of new office holders at compulsory Governance Training in March 2015.

2A. Significant Changes in the Nature of Principal Activities

None

2B. Significant Changes in the Reporting Unit's Financial Affairs During the Year

As a result of communications received from the Fair Work Commission dated March 20 2015 the union committee management endorsed changes to the Union's accounting to reflect the requirements sought by the Fair Work Commission. Those changes to the accounting are reflected in the GPFR for the financial year ending 30 June 2015 and accompanying notes to those accounts. Members should be directed particularly to the notes in the GPFR.

3. Results of Principal Activities

Small decrease in membership as a result of age profile and retirements.

4. The Rights of Members to Resign

All members have a right to resign from the union in accordance with:

Rule 58 Resignation of member in part two - Rules for administration of a division, and

Rule 18 resignation of membership of the Western Australian Division General Rules as required by Section 174 of the Fair Work (Registered Organisations)

5. Trustee or Director of Trustee Company of Superannuation Entity of Exempt Public Sector Superannuation Fund

The following officer(s) of the Union held position(s) of fund(s) that require that one or more of their directors/trustees be a member of a registered organisation:

Officer / Member – Mrs Andrea Ballantyne. Name of entity: - WA Super.

6. Other Prescribed Information

In accordance with the requirements of the Registration and Accountability of Organisations Legislation the following information is provided:

A. The number of persons that were at the end of the financial year recorded in the register of members as at 30 June 2015 was 1,308

* B. The number of persons who were at the end of the financial year employees of the organisation including both full time and part time employees measured on a full time equivalent basis was 5.0.

C. Committee of Management

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

President:	Peter Crawford	5 November 2014 – 30 June 2015
Vice President:	Peter Crawford	1 July 2014 – 4 August 2014
Vice President:	Richard Wilton	5 November 2014 – 30 June 2015
Secretary:	Andrew Johnson	1 July 2014 – 30 June 2015
Treasurer:	Andrea Ballantyne	1 July 2014 – 30 June 2015

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

OPERATING REPORT FOR REPORTING YEAR ENDED 30 JUNE 2015

6. Other Prescribed Information (cont'd)

Committee of Management Members:

Martyn Love	1 July 2014 – 30 June 2015
Brett Thompson	1 July 2014 – 30 June 2015
Raymond Brand	5 November 2014 – 30 June 2015
Greg Magor	5 November 2014 – 30 June 2015
Anne Whitehead	5 November 2014 – 30 June 2015
Richard Wilton	1 July 2014 – 4 August 2014

Division Trustee:

Carol Hicks	1 July 2014 – 30 June 2015
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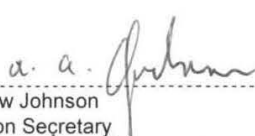
Zone Delegates:

Central Districts	Vacant
Coastal Districts	Vacant
Goldfields	Vacant
Kimberley	Vacant
Metropolitan	Vacant
Murchison	Vacant
Pilbara	Vacant
Murchison	Vacant
South Western	Vacant

Union Councillors

Ray Brand	5 November 2014 – 30 June 2015
Peter Crawford	1 July 2014 – 30 June 2015
Carol Hicks	1 July 2014 – 30 June 2015
Martyn Love	1 July 2014 – 30 June 2015
Greg Magor	5 November 2014 – 30 June 2015
Graham Sigglekow	1 July 2014 – 30 June 2015
Brett Thompson	1 July 2014 – 30 June 2015
Anne Whitehead	5 November 2014 – 30 June 2015
Richard Wilton	5 November 2014 – 30 June 2015

7. This report has been prepared by Andrew Gerard Johnson - Division Secretary as authorised by the Committee of Management



Andrew Johnson
Division Secretary

15/2/2016

Dated

CARLTON & PARTNERS

CERTIFIED PRACTISING ACCOUNTANTS

Business Address: 3 Alvan Street Mount Lawley WA 6050

Telephone: (08) 9272 8611 Fax(08) 9272 3509

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 – W.A. Division.

We have audited the accompanying general purpose financial report of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union – W.A. Division (the Union), which comprises the statement of financial position as at the 30 June 2015, the statement of comprehensive income, statement of changes in equity and 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 general purpose general purpose financial report in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) and with the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the general purpose 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 general purpose 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 general purpose 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 general purpose 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. Our audit is not conducted specifically for the purpose of exposing fraud but if in the event it is discovered it would be reported to management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional ethical pronouncements.

Recovery of wages

Based on representations made to us by our client and our audit work undertaken for the year ended 30 June 2015, it appears that no revenue was derived from undertaking recovery of wages activity for the year then ended.

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 – W.A. Division.
(cont'd)

Auditor's Opinion

In our opinion:

- i) the committee of management's use of the going concern basis of accounting in the preparation of the Union's financial statements is appropriate, and
- ii) subject to the restrictions outlined in Note 1 of these financial statements, the general purpose general purpose financial report of the Union is presented fairly in accordance with applicable accounting standards and other mandatory professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.

Going concern:

Without modifying our opinion, we draw attention to note 22 in the general purpose financial report which indicated that the union is dependent on the ongoing financial support of the Western Australian Municipal, Road Boards, Parks and Racecourse Employees' Union of Workers, Perth (Perth union), in order to pay its debts as and when they fall due.

I declare that I am a member of CPA Australia, hold a current Public Practice Certificate and am a member of a firm where at least one member is an approved auditor.


G. Wovodich
Registered Company Auditor
Carlton & Partners

Dated at Perth this

16th

day of

February 2016

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION – W.A. DIVISION**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	30-6-2015	30-6-2014
Revenue		\$	\$
Membership subscription		588,295	599,985
Capitation fees received		-	-
Other income		3,002	-
Property rental revenue		8,682	8,173
Total income		<u>599,979</u>	<u>605,158</u>
Expenses			
Administration expenses	4D	127,315	136,357
Audit & Accountancy	14	6,000	5,750
Affiliations to other organisations		-	-
Employee expenses	4A	390,848	391,337
Capitation fees	4B	-	-
Grants or donations	4E	-	-
Depreciation and amortisation	4F	4,298	4,623
Finance costs	4G	1,373	1,044
Legal expenses	4H	32,922	28,372
Training expenses		1,360	5,611
Total expenses		<u>564,116</u>	<u>573,094</u>
Profit for year		<u>35,863</u>	<u>35,064</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 – W.A. DIVISION**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	30-6-2015 \$	30-6-2014 \$	01-07-2013 \$
CURRENT ASSETS				
Cash and cash equivalents	5A	3,451	1,411	530
Receivables	5B	46,187	45,462	12,940
TOTAL CURRENT ASSETS		49,638	46,873	13,470
NON-CURRENT ASSETS				
Property, Furniture & Equipment	6	410,005	413,067	397,641
TOTAL NON-CURRENT ASSETS		410,005	413,067	397,641
TOTAL ASSETS		459,643	459,940	411,111
CURRENT LIABILITIES				
Creditors	7A	68,539	104,874	57,921
Unsecured Loan	9	563,210	586,943	892,820
Provisions for Employee entitlements	8A	225,498	200,586	91,822
TOTAL CURRENT LIABILITIES		857,247	892,403	1,042,563
NON-CURRENT LIABILITIES				
Provisions for Employee entitlements	8A	200,618	201,621	87,566
TOTAL NON-CURRENT LIABILITIES		200,618	201,621	87,566
TOTAL LIABILITIES		1,057,865	1,094,024	1,130,129
NET ASSETS (DEFICIENCY)		(598,222)	(634,084)	(719,018)
EQUITY				
Asset Revaluation Reserve		326,348	326,348	326,348
Accumulated losses	10	(924,570)	(960,432)	(1,045,366)
TOTAL EQUITY (DEFICIENCY)		(598,222)	(634,084)	(719,018)

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 – W.A. DIVISION**

**STATEMENT OF CHANGE IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2015**

	\$
Balance as at 1 July 2013	(669,149)
Add Surplus for the year	35,064
Closing balance as at 30 June 2014	(634,085)
Add Surplus for the year	35,863
Closing balance as at 30 June 2015	(598,222)

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION – W.A. DIVISION**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	2014-2015	2013-2014
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Membership Fees	587,361	592,096
Receipts from other reporting entities	-	-
Other	11,684	11,686
Cash used		
Payments to suppliers and employees	(572,033)	(567,156)
Payments to other reporting entities	-	-
Net cash from (used by) operating activities	<u>27,012</u>	<u>36,826</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of furniture, equipment etc.	(1,236)	(10,520)
Net cash from (used by) investing activities	<u>(1,236)</u>	<u>(10,520)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Advances from (repayments to) related entities	(23,736)	(25,415)
Net cash from (used by) financing activities	<u>(23,736)</u>	<u></u>
Net increase (decrease) in cash held	11. 2,040	891
Cash at Bank at beginning of year	1,411	520
Cash at Bank at end of year	5A. <u>3,451</u>	<u>1,411</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 – W.A. DIVISION**

**RECOVERY OF WAGES ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2015**

	30-6-2015	30-6-2014
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Total receipts	-	-
Payments		
Payments to workers in respect of recovered money	-	-
Deductions of fees or reimbursement of expenses	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relate	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed	-	-
Balance payable	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

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 – W.A. DIVISION**

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**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION – W.A. DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 1 – Summary of significant accounting policies.

1.1 Basis of preparation of the financial statements.

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Board Union, W.A. Division ("the Union") is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts.

In the years up to and including the year ended 31 December 2005, operating expenses, other than direct expenses were accounted for globally and this union together with the Western Australian Municipal, Road Boards, Parks and Racecourse Employees' Union of Workers, Perth (Perth Union) and the Federal Body of the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union, prepared and distributed to members consolidated financials encompassing the combined operations of all three entities. In a letter dated 12 May 2010 Fair Work Australia (as it was then known), determined that *"the provision of a consolidated financial report would not comply with the financial reporting requirements"* and that *"the union was 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 current assets, liabilities, income received and expenses incurred (apart from identifiable direct income receipts and expenses incurred) were then apportioned between the union and the Federal and Perth union.

In a letter dated 20th March 2015, the Fair Work Commission advised *inter alia* that *"whilst the 2014 financial report was accepted there were several matters that must be attended to in future reports."* One of these matters was the instruction that. . . . *"an accounting system will need to be established to ensure that the financial reports are prepared for each reporting unit based on the actual amounts."* The cost of such as sophisticated accounting software was prohibitive so to this end the Executive Committee resolved to present the financials for the current year to accurately reflect the way the Union has always maintained its operation and administration in prior years as outlined in Note 1.5. Accordingly, the comparative figures for the financial year ending 30th June 2014 have been restated. In order to observe Australian Accounting Standards AASB 101 and AASB 108, the financial position at the beginning of the preceding period has also been included in these general purpose financial statements. See also Note 22.

1.3 Significant accounting judgements and estimates.

No accounting assumptions or estimates have been identified that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 Adoption of New Australian Accounting Standard requirements.

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements.

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date that are applicable to the future reporting period that are expected to have a future financial impact on the Union.

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION – W.A. DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 1 – Summary of significant accounting policies. (cont'd)

1.5 Associates and joint arrangements.

The Western Australian Municipal, Road Boards, Parks and Racecourse Employees' Union of Workers, Perth (Perth Union) is an associated entity which is neither a subsidiary of, nor has a joint venture interest with the Union. The Perth Union has supplied the financing facility to enable the Union to continue operations. The W.A. Division employs all staff, and since the 1st July 2014, has maintained the administration and the general operations on behalf of the Perth Union and the Federal Body of the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union. The W.A. Division rents the office premises from the Perth Union and makes no charge for the administrative duties carried out on behalf the Perth Union and the Federal Body. The officeholders of both bodies are essentially the same. The Perth Union and the Federal Body participate in financial and operating policy decisions of the Union but they do not have control over the Union's policies. See also Note 22.

1.6 Revenue.

Revenue is measured at the fair value of the consideration received or receivable. Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Interest revenue and donation income is recognised when it is received.

1.7 Government grants.

The Union is not in receipt of any Government grants.

1.8 Disposal and/or Sale of assets.

Gains & losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.9 Borrowing costs.

Borrowing costs are amortised in profit and loss over the term of the borrowing.

1.10 Cash.

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, funds held at call with bank

1.11 Financial instruments.

Financial assets and financial liabilities are recognised when a Union becomes a party to the contractual provisions of the instrument.

1.12 Financial assets.

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables".

Loan and receivables.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

1.13 Employee benefits.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, sick leave, rostered days off and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of the services provided by employees up to the reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION – W.A. DIVISION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

Note 1 – Summary of significant accounting policies. (cont'd)

1.14 Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities. Financial liabilities are recognised and derecognised upon "trade date".

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

1.16 Contingent liabilities and contingent assets.

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Land, Buildings, Furniture & Equipment.

Purchase of land, buildings, furniture & equipment are recognised initially at cost in the Statement of Financial position. The initial cost of the asset includes the cost of acquiring and establishing the item.

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of the assets do not differ materially from those that would be determined using fair values as at the reporting date. Any revaluation increment is credited to equity under the heading of asset revaluation reserve.

Depreciation of buildings is at a nominal rate of 1.25% per annum using the diminishing value method. Furniture and fitting are depreciated using the diminishing value method at varying rates depending on the estimated cost to the reporting year. The rates used are 5% and 10%.

1.18 Taxation.

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the 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.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables.

1.19 Fair value measurement

The Union measures financial instruments, such as, financial assets as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 6.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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Note 1 – Summary of significant accounting policies. (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 – Events after the reporting period.

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

	30-6-2015	30-6-2014
	\$	\$
Note 3 – Income.		
3A: Capitation fees.	-	-
3B: Levies.	-	-
3C: Interest.	-	-
3D: Rental Revenue.		
Rental revenue from properties	8,682	8,173
3E: Grants or donations.	-	-
3F: Net gains from sale of assets.	-	-

Note 4 – Expenses.

4A: Employee expenses.

Holders of office:

Wages and salaries	284,685	281,554
Superannuation	30,899	28,655
Leave and other entitlements	-	-
Separations and redundancies	-	-
Subtotal employee expenses holders of office	315,584	310,209

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	30-6-2015	30-6-2014
	\$	\$
Employees other than office holders:		
Wages and salaries	67,488	71,616
Superannuation	7,766	7,124
Leave and other entitlements	-	2,382
Separations and redundancies	-	-
Subtotal employee expenses employees other than office holders	75,264	81,122
Total employee expenses	390,848	391,331
4B: Capitation fees.	-	-
4C: Affiliation fees.	-	-
4D: Administration expenses.		
Consideration to employers for payroll deductions	1,837	2,335
Compulsory levies	-	-
Fees/allowances – meeting & conferences	-	-
Conference & meeting expenses	2,509	2,824
Property expenses	79,550	85,822
Office expenses	22,706	20,799
Other	20,713	24,597
Total administration expenses	127,315	136,377
4E: Grants or donations.	-	-
4F: Depreciation and amortisation.		
Depreciation		
Land & buildings	3,263	2,524
Plant, equipment & vehicles	1,035	2,099
Total depreciation and amortisation	4,298	4,623
4G: Finance costs.		
Amortisation of borrowing costs	1,373	1,044
Total finance costs	1,373	1,044
4H: Legal costs.		
Litigation	-	-
Other legal matters	32,922	28,372
Total legal costs	32,922	28,372

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	30-6-2015	30-6-2014
	\$	\$
4I: Write down & impairment of assets.	-	-
4J: Net losses from sale of assets.	-	-
4K: Other expenses.		
Member expenses	1,169	1,752
Motor vehicle expenses	18,203	20,240
Travel & accommodation	1,341	2,605
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	20,713	24,597
Note 5 – Current Assets.		
5A: Cash and cash equivalent		
Cash at bank	3,451	1,411
5B: Trade and other receivables		
Receivables from other reporting units	-	-
Other receivables	39,473	39,665
Unexpired borrowing expenses	6,714	5,794
	46,187	45,459
Less provision for doubtful debts	-	-
Total Trade and other receivables	46,187	45,459
Note 6 – Non-current assets.		
6A: Land & Buildings		
Reconciliation of the opening & closing balances		
Gross book value – based on an independent sworn valuation dated 15th April 2010	415,887	410,000
Accumulated depreciation & impairment	(15,729)	(14,155)
Net book value 1 July	400,158	395,845
Additional land cost – stamp duty	-	5,887
Depreciation expense for year	(3,263)	(2,524)
Net book value 30 June	396,895	399,208
6B: Furniture, equipment & vehicles		
Reconciliation of the opening & closing balances		
Gross book value	39,524	29,004
Accumulated depreciation & impairment	(26,615)	(23,566)
Net book value 1 July	12,909	5,438
Additions by purchase	1,236	10,520
Depreciation expense for year	(1,035)	(2,099)
Net book value 30 June	13,110	13,859
Total Land, Buildings, Furniture & Equipment	410,005	413,067

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	30-6-2015 \$	30-6-2014 \$
Note 7 – Current Liabilities.		
7A: Trade payables		
Trade creditors and accruals	68,539	104,870
Total Trade creditors and accruals are expected to be settled in:		
No more than 12 months	68,539	104,870
More than 12 months	-	-
Total payables	68,539	104,870
7B: Total trade payables		
Wages & salaries	484	5,384
PAYG	6,380	4,644
GST payable	4,141	2,247
Superannuation	2,503	13,606
Legal expenses		
Litigation	-	-
Other legal matters	29,189	20,358
Other	25,842	58,631
Total payables	68,539	104,870
Note 8 – Provisions.		
8A: Employee provisions		
Office Holders		
Annual leave	108,186	113,184
Sick leave	147,760	135,780
Long service leave	74,938	65,445
Rostered days off & time in lieu	52,862	38,158
Separations and redundancies	-	-
Subtotal Employee provisions – office holders	383,746	352,567
Employee provisions – other than Office Holders		
Annual leave	11,427	9,510
Sick leave	15,005	20,341
Long service leave	14,002	13,622
Rostered days off & time in lieu	1,936	6,167
Separations and redundancies	-	-
Subtotal Employee provisions – other than office holders	42,370	49,640
Total Employee provisions	426,116	402,207
Current	225,498	200,586
Non-current	200,618	201,621
Total Employee provisions	426,116	402,207
Note 9 – Non-Current Liabilities.		
Unsecured Loan		
Western Australian Municipal, Road Boards, Parks, and Racecourse Employees' Union of Workers, Perth	563,210	586,943

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	30-6-2015	30-6-2014
	\$	\$
Note 10 – Accumulated Losses.		
Balance at the beginning of the year	960,433	995,497
Surplus for the year	35,863	35,064
Balance at the end of the year	924,570	960,433
Note 11 – Cash Flow Reconciliation.		
Operating surplus for year	35,863	35,064
Add non-cash items:		
Depreciation	4,298	4,623
Accrued employee entitlements	23,909	43,436
Changes in assets and liabilities:		
Acquisition of furniture	(1,236)	(10,520)
Decrease (Increase) in debtors & receivables	(727)	(8,218)
Decrease (Increase) in trade & other payables	(36,331)	(38,079)
Decrease (Increase) in inter-entity debt	(23,736)	(25,415)
Net increase (decrease) in cash held	2,040	891

Note 12 – Contingent Liabilities, assets and commitments.

- (a.) Claim by the Australian Services Union for an indemnity totalling \$19,890 for legal fees in connection with the 2003 Federal Court settlement orders removing the Denmark property from that union's ownership. This claim is being handled by the Union's legal representatives.
- (b.) Claim from an employee for unpaid superannuation. At the time of the presentation of the financial statements this matter has not been resolved. The Union's share of this claim would be approximately \$16,000.

Apart from the above there are no known contingent liabilities, assets or commitments.

Note 13 – Related Party Disclosures.

13A: Related Party Transactions for the reporting period

There was no:

- (a.) revenue received from,
- (b.) expenses paid to,
- (c.) amounts owed by,
- (d.) amounts owed to,
- (e.) loans from /to
- (f.) or assets transferred from/to

related parties during the reporting period.

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	30-6-2015 \$	30-6-2014 \$
13B – Key Management Personnel Remuneration for the reporting period		
Short-term employee benefits		
Salary (including leave taken)	145,721	106,055
Annual leave accrued	6,179	10,071
Total short-term employee benefits	151,900	116,126
Post-employment benefits		
Superannuation	20,798	17,171
Total post-employment benefits	20,798	17,171
Other long-term benefits		
Long service leave	-	3,994
Total other long-term benefits	-	3,994
Termination benefits	-	-
Total	172,698	137,291

13C: Transactions with key personnel & their close family members

There were no transactions with key personnel and their close family members.

Note 14 – Remuneration of Auditors

Value of the services provided		
Financial statement audit services	2,500	2,750
Accounting services in preparation of financial statements	3,500	3,000
Total remuneration of auditors	6,000	5,750

Note 15 – Financial Instruments

Credit Risk. The Union is not exposed to any credit risk. The only financial asset it has is cash held at a creditworthy bank.

Note 16 – Fair Value Measurement

The Management committee assessed that cash, trade receivables, trade payables and other current liabilities approximate their carrying amount largely due to the short term nature of these instruments. Plant, equipment and motor vehicles are measured using the cost method. Land & buildings are measured using the revaluation method and are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of the asset under the revaluation model.

Land & Buildings measured at fair value

Fair value hierarchy 30 June 2015		\$ Level 1	\$ Level 2	\$ Level 3
	Date of valuation			
Duplex rental property	15 April 2010	-	-	410,000
Duplex rental property	Additional capital costs	-	-	5,887
Total		-	-	415,887
Fair value hierarchy 30 June 2014				
	Date of valuation	Level 1	Level 2	Level 3
Duplex rental property	15 April 2010	-	-	410,000
Total		-	-	410,000

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Note 17 – Business combinations and subsidiaries acquired

The union does not have any business combinations or subsidiaries.

Note 18 – 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 19 – Administration of financial affairs by a third party

No administration of the union's financial affairs is conducted by a third party.

Note 20 – Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of Members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Commission:

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

Note 21 - Use of "LGRCEU" in Union activities.

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 22 – Economic dependence

- 1 The union's ability to continue as a going concern is reliant on the continued financial support from the Western Australian Municipal, Road Boards, Parks and Racecourse Employees' Union of Workers, Perth (Perth union) which has provided security for joint borrowings. See also Note 1.5. This is an interest free agreement with repayments to be made in line with the mortgagee's financing terms.
- 2 The union is a guarantee to the bank for the aforementioned mortgage. Apart from this, the union does not provide financial support to any other entity.

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Note 23 – Change in comparative figures

In accordance with AASB 101 paragraphs 40A to 44, The following is required to explain the differences between the 2014 figures in the 2014 financial statements and the 2014 comparatives in the 2015 financial statements.

2014 figures disclosed in:			
	Financials at	Financials at	
	30-06-15	30-06-14	
Ref.	\$	\$	Difference
			\$
Profit & Loss			
Revenue			
Membership	(a) 599,985	298,825	301,160
Expenditure			
Administration	136,357	151,984	-15,627
Capitation	(b) 0	128,903	-128,903
Audit	(a) 5,750	3,000	2,750
Employee expenses	(a) 391,337	0	391,337
Depreciation	4,623	2,524	2,099
Finance Costs	(a) 1,044	19,341	-18,297
Other Expenses	(a)	25,189	-25,189
Legal expenses	(a) 28,372		28,372
Training	(a) 5,611		5,611
Expenses	573,094	330,941	242,153
Net Income	26,891	-32,116	59,007
Balance Sheet			
Current Assets			
Cash	(c) 1,411	1,421	-10
Receivables	(a) 45,462	14,241	31,221
	46,873	15,662	31,211
Non-current assets			
Property, Plant & Vehicles	(d) 413,067	405,638	7,429
Total assets	459,940	421,300	38,640
Current liabilities			
Creditors	(a) 104,874	42,085	62,789
Unsecured loan	(a) 586,943	1,000,139	-413,196
Employee provisions	(a) 200,586	60,998	139,588
	892,403	1,103,222	-210,819
Non-current liabilities			
Employee provisions	(a) 201,621	61,039	140,582
	201,621	61,039	140,582
Total Liabilities	1,094,024	1,164,261	-70,237
Net Assets	-634,084	-742,961	108,877

- (a) These comparative figures have been re-apportioned in accordance with the explanation in Note 1.2.
 (b) The capitation fee between the Union and the related Federal union has been discontinued.
 (c) Utility deposit re-allocated.
 (d) Reallocation of plant and equipment acquired in accordance with the explanation in Note 1.2.