



20 March 2015

Mr Andrew Johnson
Division Secretary
Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries
and Racecourse, Public Authorities, Water Boards Union - Western Australia Division
112 Charles Street
West Perth WA 6005

via 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 Australia
Division**

Financial Report for the year ended 30 June 2014 - FR2014/325

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union - Western Australia Division (WAMEU-WA). The financial report was lodged with the Fair Work Commission (FWC) on 16 December 2014.

The FWC understands that the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union (WAMEU) intends to process a rule change prior to 30 June 2015 to simplify its structure. The proposed rule change is likely to result in WAMEU being one financial reporting unit in future years. On the basis that this rule change is implemented by 30 June 2015 the financial report has been filed. You are not required to take any further action in respect of the report lodged. However, please note that if the proposed rule change is not processed by 30 June 2015 the WAMEU-WA financial return for the year ended 30 June 2015 will likely be subject to an advanced review by the FWC. Furthermore, if the rule change is not processed by 30 June 2015 the matters mentioned below will need to be addressed in the preparation of the WAMEU-WA 2014-15 financial report.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 4th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports organisations should consult the template '2013-14 Model Financial Statements' which is available from the FWC website.

1. References to outdated legislation

References to legislation and FWC

It has been noted that the Designated Officer's Certificate refers to old legislation "RAO Schedule" instead of the *Fair Work (Registered Organisations) Act 2009*.

It has also been noted that within the Committee of Management Statement references are made to old legislation. The statement should refer to the *Fair Work (Registered Organisations) Act 2009*. Also reference to the 'Industrial Registrar' should read 'General Manager'.

2. Operating Report

Significant changes in financial affairs

Section 254(2)(b) of the RO Act requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year. The WAMEU-WA Operating Report makes no statement in relation to the financial affairs of the Branch.

3. Committee of Management Statement

Recovery of wages

Item 35(f) of the Reporting Guidelines states that 'where the reporting unit has not derived revenue from undertaking recovery of wages activity, the statement *'no revenue has been derived from undertaking recovery of wages activity during the reporting period'* is to be included in the Committee of Management Statement.

If there was no recovery of wages activity undertaken the Committee of Management Statement should include the declaration in accordance with item 35(f) of the Reporting Guidelines.

4. General Purpose Financial Report

Going Concern

Australian Accounting Standard AASB 101: *Presentation of Financial Statements* paragraph 25 relates to the assessment of an entity's ability to continue as a going concern. Australian Auditing Standard ASA 570: *Going Concern* looks at the requirements for auditors in relation to their responsibility to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial report and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern.

The WAMEU-WA has reported an operating loss of \$23,943 in 2013/14 and a loss of \$27,646 in 2012/13. As at 30 June 2014 cash at bank was \$1,421. There was a net assets deficiency as at 30 June 2014 of \$742,961 and as at 30 June 2013 \$719,018.

If this position continues the WAMEU-WA would be required to provide evidence to demonstrate its ability continue as a going concern.

I remind the officers of the organisation of their duties under sections 285 and 287 of the RO Act in relation to the financial management of the organisation. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation (these are civil penalty provisions). It is incumbent on the officers of the organisation to take appropriate steps to address the net operating loss and ensure its ongoing solvency.

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

Although some disclosure requirements have been made in Note 14 not all relevant disclosures have been provided.

Financial affairs administered by another entity

Reporting Guideline 31 requires that when a reporting unit's financial affairs are administered by another entity, the reporting unit must disclose in a separate note in the GPFR a detailed breakdown of all services provided and/or expenses incurred. This includes the name of the other entity, terms and conditions of the arrangement and a narrative description as to the nature of the expenses and/or consultancy services provided.

Reconciliation of cash flows from operating activities

Australian Accounting Standard *AASB 107 Statement of Cash Flows* paragraph 45 requires that the entity disclose '...the components of cash and cash equivalents and shall present a reconciliation of the amounts in its Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position'.

A reconciliation of cash flows has been provided at Note 9. However, this reconciliation does not agree with the Cash Flow Statement 'Net Cash from (used by) operating activities' for the current nor the comparative year.

All statements to be presented with equal prominence

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 11 requires all financial statements to be presented with equal prominence. The Statement of Changes in Equity and Statement of Cash Flows are currently presented on the same page. This is not considered to meet the requirement of paragraph 11.

Activities under Reporting Guidelines not disclosed

Items 13, 15, 17 and 19 of the RG state that if the activities identified in items 11, 14, 16 and 18 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 11 - going concern financial support provided to another reporting unit (refers to agreement regarding financial support not dollar amount)
- 14(e) - financial support received from another reporting unit
- 16(k) - penalties imposed under the RO Act
- 18(b) - payable with another reporting unit

5. Separate financial reporting

The Auditor's opinion has been issued subject to the restrictions outlined in Note 1 of the financial statements, that is, "Other than direct expenses, operating expenses are accounted for globally and not allocated separately to the Perth union, the W.A. Division or the Federal Body."

Note 1.5 of the GPFR refers to a Fair Work Australia (now Fair Work Commission) letter dated 12 May 2010 which determined that WAMEU was to provide separate financial reports for the Federal and Western Australia Division. This letter also states "Action should be taken to implement an accounting system which enables the extraction of financial information solely in relation to the Western Australian Division." If the proposed rule change to consolidate the WAMEU-WA and Federal Office is not implemented by 30 June 2015 an accounting system will

need to be established to ensure that financial reports are prepared for each reporting unit based on actual amounts.

Summary

As stated above, the FWC understands that WAMEU intends to process a rule change prior to 30 June 2015. On the basis that this rule change is implemented by 30 June 2015 the financial report has been filed. It is recommended that WAMEU liaise with Ms Sarah Wilkin from this office as a matter of urgency to ensure that appropriate alterations are made prior to 30 June 2015.

If these rule alterations have not been certified by 30 June 2015, the Division will be required to prepare a financial report for the year ending 30 June 2015. Please ensure that the comments above are incorporated in the preparation of future reports. As stated above the WAMEU-WA Division financial return for the year ended 30 June 2015 will likely be subject to an advanced review by the FWC.

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) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

CERTIFICATE OF WA DIVISION SECRETARY (2014)

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

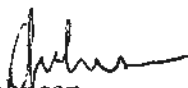
I, Andrew Gerard Johnson, Divisional Secretary of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union, (Western Australian Division) certify that:

1. That documents lodged herewith are copies of the full report referred to in s253 of the RAO Schedule and;

2 On the 18th of NOVEMBER 2014 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 (copy attached).

3. The full report was presented to a General Meeting of the WA Division members on the 15TH of DECEMBER 2014.

Yours faithfully


Andrew Johnson
Division Secretary

Dated this 16TH day of December 2014

LGRCEU



*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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1800 199 945

FORMERLY THE 
FOR OVER 110 YEARS

November 17 2014

NOTICE TO MEMBERS:

AVAILABILITY AND ACCESS TO AUDITED FEDERAL AND WA DIVISION FINANCIAL REPORTS (GPFRS) AND OPERATING REPORTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2014 and CONFIRMATION OF GENERAL MEETINGS OF MEMBERS

Dear Member(s),

Please be advised that audited copies of the above mentioned reports can be accessed and downloaded from the Union's Website.

The web address is: lgrceu.org

The documents are loaded on the front page.

The reports will also be presented to and be available at consecutive union general meetings in accordance with union rules to be held at 5.00 pm on Monday December 15 2014 at 112 CHARLES STREET, WEST PERTH WA 6005.

Should you have difficulty accessing our website or downloading these documents please contact us on the listed phone numbers to obtain either emailed or posted copies.

Yours Faithfully
Andrew Johnson
Secretary



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 2014

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 2014

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, WA DIVISION**

OPERATING REPORT FOR REPORTING YEAR ENDED 30 JUNE 2014

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. In accordance with the rules the union executive continued to meet and deal with issues on a month by month basis.
- C. The continuing maintenance of federal agreements negotiated by the organisation.
- D. The continued involvement of the organisation in industry training initiatives.
- E. The further enhancement of a union website for reporting to and receiving communication from membership.
- F. Continued work towards compliance with federal reporting requirements.
- G. Continued publication of union newsletters and website information.
- H. Elections of office bearers in October 2013.
- I. Attendance of office bearers at Governance Training June 2014.

2. Significant Changes in the Nature of Principal Activities

None

3. Results of Principal Activities

A small increase in membership due to members returning from other industries.

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 Act.

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 - Mr David James. 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 2014 was 1,347
- 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 4.0.
- C. Committee of Management

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

President:	David James	1 July 2013 – 30 June 2014	<u>Changes in Composition</u>
Vice President:	Peter Crawford	8 October 2013 – 30 June 2014	Resigned 30 June 2014
Secretary:	Andrew Johnson	1 July 2013 – 30 June 2014	
Treasurer:	Andrea Ballantyne	1 July 2013 – 30 June 2014	

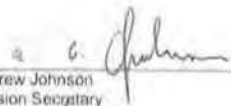
**WESTERN AUSTRALIAN SHIRE COUNCILS, MUNICIPAL ROAD
BOARDS, HEALTH BOARDS, PARKS, CEMETERIES AND
RACECOURSE, PUBLIC AUTHORITIES, WATER BOARDS UNION, WA DIVISION**

OPERATING REPORT FOR REPORTING YEAR ENDED 30 JUNE 2014

6. Other Prescribed Information (cont'd)

		<u>Changes in Composition</u>
Committee of Management Members		
Angus Hutchings	1 July 2013 – 30 June 2014	Resigned 30 June 2014
Martyn Love	1 July 2013 – 30 June 2014	
Brett Thompson	8 October 2013– 30 June 2014	
Raymond Brand	1 July 2013 – 30 June 2014	Resigned 30 June 2014
Richard Hards	8 October 2013 – 30 June 2014	Resigned 30 June 2014
Richard Wilton	8 October 2013 – 30 June 2014	
Graham Siggelkow	1 July 2013 – 8 October 2013	Resigned 30 June 2014
Felicity Brosnan	1 July – 7 October 2013	Did not renominate for position
Peter Crawford	1 July – 7 October 2013	Did not renominate for position
John Meares	1 July – 7 October 2013	Did not renominate for position
Richard Wilton	8 October 2013 – 30 June 2014	
Trustees		
Carol Hicks	8 October 2013– 30 June 2014	
Eric Edwards	1 July 2013 – 7 October 2013	Did not renominate for position
Zone Delegates		
Ron Cullen(Goldfields)	1 July 2013 – 30 June 2014	
Dale Maver (Murchison)	1 July 2013 – 30 June 2014	
Ben Bertink(Coastal Districts)	8 October 2013 – 30 June 2014	
Terry Cooper	1 July – 7 October 2013	Did not renominate for position
Greg Magor	8 October 2013 – 30 June 2014	
Union Councillors		
Peter Crawford	8 October 2013 – 30 June 2014	
Angus Hutchings	1 July 2013 – 30 June 2014	Resigned 30 June 2014
David James	1 July 2013 – 30 June 2014	Resigned 30 June 2014
Ray Brand	1 July 2013 – 30 June 2014	Resigned 30 June 2014
Richard Hards	8 October 2013 – 30 June 2014	Resigned 30 June 2014
Brett Thompson	8 October 2013 – 30 June 2014	
Martyn Love	8 October 2013– 30 June 2014	
Graham Siggelkow	8 October 2013 – 30 June 2014	
Carol Hicks	8 October 2013 – 30 June 2014	

7. This report has been prepared by Andrew Gerard Johnson - Division Secretary


 Andrew Johnson
 Division Secretary
 16.11.2014
 Dated

**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 10th of November 2014 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 general purpose financial report ("GPFR") for the reporting unit for the financial year ended 30 June 2014:

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 order have been made by the Commission under Section 273 of Schedule 1B to the Fair Work Act 1996

For the Committee of Management


Andrew Johnson
Secretary

Dated:

CARLTON & PARTNERS

CERTIFIED PRACTISING ACCOUNTANTS

Business Address: 3 Alean Street Mount Lawley W.A 6050
Telephone: (08) 9272 8611 Fax: (08) 9272 3500

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 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 2014, 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 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 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 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 2014, it appears that there was no recovery of wages activity for the Union for the year then ended.

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 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.

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


G. Wodich
Registered Company Auditor
Carlton & Partners

Dated at Perth this

12th

day of

March

2014.

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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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30-6-2014	30-6-2013
Revenue		\$	\$
Membership subscription		298,825	290,558
Capitation fees received		-	-
Other income		8,173	9,961
Total income		306,998	300,517
Expenses			
Employee expenses	4A	151,984	157,553
Capitation fees	4B	128,903	112,985
Grants or donations		-	-
Depreciation and amortisation	4F	2,524	2,472
Finance costs	4D	19,341	25,672
Audit & Accountancy	12	3,000	2,794
Other expenses		25,189	26,687
Total expenses		330,941	328,163
Profit (loss) for year		(23,943)	(27,646)

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 2014**

	Notes	30-6-2014 \$	30-6-2013 \$
CURRENT ASSETS			
Cash and cash equivalents	5A	1,421	530
Receivables	5B	14,241	12,940
TOTAL CURRENT ASSETS		15,662	13,470
NON-CURRENT ASSETS			
Property, Furniture & Equipment	6	405,638	397,641
TOTAL NON-CURRENT ASSETS		405,638	397,641
TOTAL ASSETS		421,300	411,111
CURRENT LIABILITIES			
Creditors	7A & B	42,085	57,921
Unsecured Loan	7A	1,000,139	892,820
Provisions for Employee entitlements	8A	60,998	91,822
TOTAL CURRENT LIABILITIES		1,103,222	1,042,563
NON-CURRENT LIABILITIES			
Provisions for Employee entitlements	8A	61,039	87,566
TOTAL NON-CURRENT LIABILITIES		61,039	87,566
TOTAL LIABILITIES		1,164,261	1,130,129
NET ASSETS (DEFICIENCY)		(742,961)	(719,018)
EQUITY			
Asset Revaluation Reserve		326,348	326,348
Accumulated losses	10	(1,069,309)	(1,045,366)
TOTAL EQUITY (DEFICIENCY)		(742,961)	(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**

	2013-2014 \$	2012-2013 \$
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014		
Balance at the beginning of the year	(719,018)	(691,372)
Add Surplus (Deficit) for the year	(23,943)	(27,646)
Balance at the end of the year	(742,961)	(719,018)
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014		
OPERATING ACTIVITIES		
Cash received		
Membership Fees	297,524	290,190
Receipts from other reporting entities	-	-
Other	8,173	9,961
Cash used		
Employees	(209,335)	(142,980)
Suppliers	(172,928)	(148,217)
Payments to other reporting entities	-	-
Net cash from (used by) operating activities	76,566	8,954
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of furniture	(4,634)	(700)
Capital cost on property (stamp duties)	(5,887)	-
Net cash from (used by) investing activities	(10,521)	(700)
CASH FLOW FROM FINANCING ACTIVITIES		
Advances from (Repayments to) related entities	107,319	17,014
Interest and borrowing charges	(19,341)	(25,672)
Net cash from (used by) financing activities	87,978	(8,658)
Net increase (decrease) in cash held	891	(404)
Cash at Bank at beginning of year	530	934
Cash at Bank at end of year	1,421	530
Decrease (Increase) in Cash at Bank	(891)	404

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 2014

	30-6-2014	30-6-2013
	\$	\$
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**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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 (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 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

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

1.3 Significant Accounting Judgements and Estimates

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

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standards. No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

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

1.5 Revenue and Expenditures

Other than direct expenses, operating expenses are 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, the three unions 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.

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

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

- 1.6 **Capitation fees and levies.**
Capitation fees and levies are recognised on an accrual basis and recorded as revenue and/or expenses in the year to which it relates.
- 1.7 **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.
- 1.8 **Cash**
Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and funds held at call with the bank. Bank overdrafts are shown within short-term borrowings in the current liabilities on the statement of financial position.
- 1.9 **Financial instruments**
Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.
- 1.10 **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".
- 1.11 **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.
- 1.12 **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.
- 1.13 **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%.
- 1.14 **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).

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1.14 **Taxation** (cont'd)

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivable and payables.

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

Note 2 – Events after the reporting period.

There were no events that occurred after 30 June 2014, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

	30-6-2014	30-6-2013
Note 3 – Income	\$	\$
3A: Capitation fees	-	-
3B: Levies	-	-
3C: Rental income		
Properties	8,173	8,036
3D: Grants or donations	-	-
Note 4 – Expenses		
4A: Employee expenses		
Holders of office:		
Wages and salaries	101,067	89,592
Superannuation	9,244	34,165
Leave and other entitlements	1,108	-
Separations and redundancies	-	-
Subtotal employee expenses holders of office	111,419	123,757
Employees other than office holders:		
Wages and salaries	34,204	34,158
Superannuation	3,562	5,195
Leave and other entitlements	2,799	2,382
Separations and redundancies	-	-
Subtotal employee expenses employees other than office holders	40,565	42,733
Total employee expenses	151,984	166,490
4B: Capitation fees		
Paid to the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities Water Boards Union – Federal office	128,903	112,885
4C: Affiliation fees	-	-
4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting & conferences	-	-
Conference & meeting expenses	-	-
Property expenses	7,756	1,751
Office expenses	2,857	2,742
Total administration expenses	10,613	4,493

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	30-6-2014	30-6-2013
	\$	\$
4E: Grants or donations	-	-
4F: Depreciation and amortisation		
Depreciation		
Land & buildings	2,313	2,313
Plant & equipment	211	159
Total depreciation and amortisation	2,524	2,472
4D: Finance costs		
Overdraft	-	3,572
Loans	19,341	22,100
Total finance costs	19,341	25,672
4E Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
Note 5 – Current Assets		
5A: Cash and cash equivalent		
Cash at bank	1,421	530
Cash on Hand	-	-
Total cash and cash equivalents	1,421	530
5B: Trade and other receivables		
Receivables from other reporting units	-	-
Other receivables	14,241	12,544
	14,241	12,544
Less provision for doubtful debts	-	-
Total Trade and other receivables	14,241	12,544
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	410,000	410,000
Accumulated depreciation & impairment	(14,366)	(12,053)
Net book value 1 July	395,634	397,947
Additional land cost – stamp duty	5,887	-
Depreciation expense for year	(2,313)	(2,313)
Disposals	-	-
Net book value 30 June	399,208	395,634

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	30-6-2014 \$	30-6-2013 \$
Note 6 – Non-current assets (contd)		
6B: Furniture & Equipment		
Reconciliation of the opening & closing balances:		
Gross book value	3,085	2,384
Accumulated depreciation & impairment	(1,077)	(918)
Net book value 1 July	2,008	1,466
Additions by purchase	4,633	700
Depreciation expense for year	(211)	(159)
Disposals	-	-
Net book value 30 June	6,430	2,007
Total Land, Buildings, Furniture & Equipment	405,638	397,641
Note 7 – Current Liabilities		
7A: Trade payables		
Trade creditors and accruals	36,270	3,958
Payables to other reporting entities	921,072	892,820
7B: Other payables		
Wages and salaries	1,346	9,983
Superannuation	3,346	42,128
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	1,123	1,852
Total other payables:	5,815	53,963
The bank overdraft which is utilised by the three unions is secured on freehold property owned by the Western Australian Division:		
Total other payables are expected to be settled in:		
No more than 12 months	42,085	11,835
More than 12 months	-	42,128
Total other payables	42,085	53,963

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	30-6-2014	30-6-2013
	\$	\$
Note 8 – Provisions		
8A: Employee provisions		
Office Holders:		
Annual leave	30,530	43,788
Sick leave	33,945	66,559
Long service leave	15,794	30,182
Rostered days off & time in lieu	10,922	17,525
Separations and redundancies	-	-
Subtotal Employee provisions – office holders	91,191	158,064
Employee provisions – other than Office Holders:		
Annual leave	4,753	3,696
Sick leave	10,171	12,006
Long service leave	10,508	4,526
Rostered days off & time in lieu	5,414	1,096
Separations and redundancies	-	-
Subtotal Employee provisions – other than office holders	30,846	21,324
Total Employee provisions	122,037	179,388
Current	60,998	91,822
Non-current	61,039	87,566
Total Employee provisions	122,037	179,388
Note 9 – Cash Flow		
9A: Cash Flow Reconciliation		
Reconciliation of cash & cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash Flow Statement	1,421	530
Balance Sheet	1,421	530
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for year	23,943	27,646
Adjustments for non-cash items:		
Depreciation/amortisation	(2,524)	(1,772)
Changes in assets/liabilities:		
(Increase) Decrease in property & equipment	10,521	-
(Increase) Decrease in net receivables	1,301	360
(Increase) Decrease in supplier payables	15,836	5,751
(Increase) Decrease in employee provisions	57,351	(14,573)
(Increase) Decrease in loan from related entity	(107,319)	(17,014)
Net cash from (used by) operating activities	891	(404)
	-	-

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Note 10 – Accumulated Losses

Balance at the beginning of the year	1,045,366	1,017,720
Deficit (Surplus) for the year	23,943	27,640
Balance at the end of the year	1,069,309	1,045,366

Note 11 – Contingent Liabilities

- (a) Claim by the Australian Services Union for an indemnity totalling \$19,890. For legal fees in connection with the 2003 Federal Court settlement removing of the Denmark property from that union's ownership based orders. 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 \$4,850.

30-6-2014 30-6-2013

Note 12 – Related Party Disclosures

\$ \$

12A: Related Party Transactions for the reporting period

There were no related party transactions during the reporting period.

Note 12B – Key Management Personnel Remuneration for the reporting period

Short-term employee benefits		
Salary (including leave taken)	35,352	33,229
Annual leave accrued	3,357	3,229
Total short-term employee benefits	38,709	36,458
Post-employment benefits		
Superannuation	5,724	16,360
Total post-employment benefits	5,724	16,360
Other long-term benefits		
Long service leave	1,331	482
Total other long-term benefits	1,331	482
Termination benefits	-	-
Total	45,764	53,300

12C: Transactions with key personnel and their close family members

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

Note 13 – Remuneration of Auditors

Value of the services provided

Financial statement audit services	1,500	1,118
Accounting services in preparation of financial statement	1,500	1,215
Total remuneration of auditors	3,000	2,333

Note 14 – Financial Instruments

14A: Credit Risk

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

14B: Net Income and expense from Financial Liabilities

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

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Note 15 – 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 16 – Organisation details

The registered office and principal place of business is:

112 Charles Street

West Perth Western Australia 6005

Note 17 – 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 18 – 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 Australia:

1. A member of a reporting unit, or the General Manager of Fair Work Australia 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 19 – Information to be provided to Members or Registrar

A. 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

B. In accordance with the requirements of the Fair Work (Registered Organisations) Amendment Act 2012 Division 3A of Part 2 of Chapter 5, the attention of Members is drawn to the following:

- a. The reporting requirements under the Act require the disclosure of the aggregate remuneration paid to the five highest paid officers of the organisation. There are only three officers who are also paid employees of the organisation. They are the Secretary, Assistant Secretary and Membership Officer. The aggregate remuneration of these officers that are applicable to the Federal and W.A. Division for the financial period was \$140,869.
- b. Two highest paid officers of the organisation are the Secretary and Assistant Secretary. The aggregate remuneration of these officers that are applicable to the Federal and W.A. Division for the financial period was \$106,055.

There have not been any material personal interests disclosed during the financial year by any officer of the organisation.

There has not been any payment during the financial year (or shorter period):

- i. To a related party of the organisation/branch (such as officers or their family members); or
- ii. To a declared person or body of the organisation/branch.