



17 November 2017

Mr Andrew Johnson  
Division Secretary  
Western Australian Shire Councils, Municipal Roads Boards, Health Boards, Parks,  
Cemeteries and Racecourse, Public Authorities, Water Boards Union – Western Australian  
Division

Sent via email

Dear Mr Johnson

**Re: – Western Australian Shire Councils, Municipal Roads Boards, Health Boards,  
Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union – Western  
Australian Division - financial report for year ending 30 June 2017 (FR2017/256)**

I refer to the financial report of the Western Australian Division of the Western Australian Shire Councils, Municipal Roads Boards, Health Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 14 November 2017. Confirmation advice in relation to legal costs payables was received today.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing next year's report. Please note the report for year ending 30 June 2018 may be subject to an advanced compliance review.

**New Format for Auditor's Statement**

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the organisation/branch was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A '[Guidance Note](#)' is available on the ROC website to help Registered Organisations understand the new auditing requirements.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

**Reporting Requirements**

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this

model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.


Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

## CERTIFICATE OF WA DIVISION SECRETARY (2017)

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

I, Andrew Gerard Johnson, Division 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 full report referred to in s265 and s266 of the Fair Work (Registered Organisations) Act 2009;
2. On the 10<sup>th</sup> October 2017 the full report was distributed to members of the Division by post and email as was notice of the general meeting at which the full report was to be presented;
3. The full report was presented to a General Meeting of members of the Western Australian Division on the 13th of November 2017.

  
Signed

Andrew Johnson  
WA Division Secretary

Dated November 16 2017


## **CERTIFICATE OF WA DIVISION SECRETARY (2017)**

*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 full report referred to in s253 of the Fair Work (Registered Organisations) Act 2009 and;
2. That the full report was dealt with and passed by Committee on the 18<sup>th</sup> of September 2017.
- 2 On the 10<sup>th</sup> of October 2017 the full report was distributed to members by post and email as was notice of the general meeting at which the full report was presented to members.
3. The full report was presented to a General Meeting of the Western Australian Division (the only Division of the Union) members on the 13<sup>th</sup> of November 2017.

Yours faithfully

  
Andrew Johnson  
WA Division Secretary

Dated this 14<sup>th</sup> day of November 2017



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 2017.

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 2017

Registered office:

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

**CONTENTS**

Operating Report	1 - 2
Committee of Managements' Statement	3
Independent Audit Report	4 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Change in Equity	8
Statement of Cash Flows	9
Statement of Recovery of Wages Activity	10
Notes to the financial statements	12 - 20

**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 2017**

**1. Review of the Union's Principal Activities.**

- A. The Union acts as the only Divisional Body of the Western Australian Shire Councils, Municipal Road Boards, Parks, Cemeteries and Racecourse, Public Authorities, Water Boards Unions within Australia. There were no significant changes to the principal activities of the Union.
- B. The continuing maintenance of federal agreements negotiated by the organisation. The organisation was able to renegotiate 20 agreements during the reporting period and also respond to and resolve in excess of half of individual member dispute arising during the reporting period (88 in total). The organisation also handled 25 unfair dismissal claims and some 20 workers compensation claims during the reporting period.
- C. The further enhancement of the union website for reporting to and receiving communication from membership.
- D. Continued publication of union newsletters and website information.
- E. Job delegate training provided to eight (8) new job delegates

**2A. Significant Changes in the Nature of Principal Activities**

None

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

None

**3. Results of Principal Activities**

Membership numbers have declined during the reporting period due to outsourcing and restructuring in the industries in which the organisation operates.

**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) Act 2009.

**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 – Mrs Andrea Ballantyne. Name of entity: - WA Local Government Superannuation Plan Pty Ltd.

**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 2017 was 1,235
- 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. The names of each person who has been a member of the Committee of Management and the Union Council at any time during the reporting period. And the period for which they held such a position are set out below.

President:	Peter Crawford	1 July 2016 – 30 June 2017
Vice President:	Richard Wilton	1 July 2016 – 30 June 2017
Secretary:	Andrew Johnson	1 July 2016 – 30 June 2017
Treasurer:	Andrea Ballantyne	1 July 2016 – 30 June 2017

**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 2017**

**6. Other Prescribed Information (cont'd)**

Committee of Management Members:

Martyn Love	1 July 2016 – 30 June 2017
Brett Thompson	1 July 2016 – 30 June 2017
Raymond Brand	1 July 2016 – 30 June 2017
Greg Magor	1 July 2016 – 30 June 2017
Anne Whitehead	1 July 2016 – 30 June 2017
Richard Wilton	1 July 2016 – 30 June 2017

Division Trustee:

Carol Hicks	1 July 2016 – 31 December 2016
-------------	--------------------------------

Zone Delegates:

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

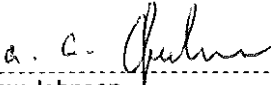
Union Councillors

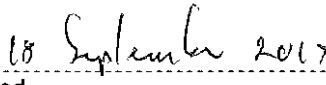
Ray Brand	1 July 2016 – 30 June 2017
Peter Crawford	1 July 2016 – 30 June 2017
Carol Hicks	1 July 2016 – 31 December 2016
Martyn Love	1 July 2016 – 30 June 2017
Greg Magor	1 July 2016 – 30 June 2017
Graham Sigglekow	1 July 2016 – 30 June 2017
Brett Thompson	1 July 2016 – 30 June 2017
Anne Whitehead	1 July 2016 – 30 June 2017
Richard Wilton	1 July 2016 – 30 June 2017

**7. Changes in Composition of office Bearers**

As of 31st of December 2016 Carol Hicks by way of resignation ceased to hold the Offices of Union Councillor and WA Division Trustee

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

  
-----  
Andrew Johnson  
Division Secretary

  
-----  
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 *18 September 2017* September 2017 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 2017.

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

*a. a. Johnson*

Andrew Johnson  
Division Secretary

Dated this *18<sup>th</sup>* day of *September* 2017

---

# 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 2017, 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 2017, 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**

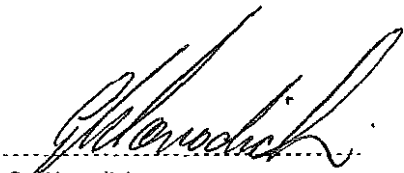
In our opinion:

- 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 Australian 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 an approved auditor, a member of CPA Australia and hold a current Public Practice Certificate.



G. Wovodich  
Registered number: AA2017/13  
Carlton & Partners

Dated at Perth this

*10/9*

day of

*September*

2017.

**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 2017**

	Notes	30-6-2017	30-6-2016
<b>Revenue</b>		\$	\$
Membership subscription		586,296	612,286
Capitation fees received	3A	-	-
Other income		-	2,741
Property rental revenue	3D	10,027	13,923
Total income		<u>596,323</u>	<u>628,950</u>
<b>Expenses</b>			
Administration expenses	4D	113,477	122,134
Audit & Accountancy	14	5,400	5,675
Affiliations to other organisations		-	-
Employee expenses	4A	401,195	410,246
Capitation fees	4B	-	-
Grants or donations	4E	-	-
Depreciation and amortisation	4F	4,140	3,549
Finance costs	4G	1,373	1,373
Legal expenses	4H	35,579	33,089
Training expenses		-	124
Total expenses		<u>561,164</u>	<u>576,190</u>
Excess of Income over Expenditure for the year		<u>35,159</u>	<u>52,760</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 2017**

	Notes	30-6-2017 \$	30-6-2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5A	-	-
Receivables	5B	34,848	34,162
<b>TOTAL CURRENT ASSETS</b>		<u>34,848</u>	<u>34,162</u>
<b>NON-CURRENT ASSETS</b>			
Property, Furniture & Equipment	6	427,762	408,321
Investment	6F	3	3
<b>TOTAL NON-CURRENT ASSETS</b>		<u>427,765</u>	<u>408,324</u>
<b>TOTAL ASSETS</b>		<u>462,613</u>	<u>442,486</u>
<b>CURRENT LIABILITIES</b>			
Creditors	7A	74,143	67,401
Unsecured Loan	9	460,873	464,016
Provisions for Employee entitlements	8A	268,283	271,717
<b>TOTAL CURRENT LIABILITIES</b>		<u>803,299</u>	<u>803,134</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for Employee entitlements	8A	169,618	184,815
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>169,618</u>	<u>184,815</u>
<b>TOTAL LIABILITIES</b>		<u>972,917</u>	<u>987,949</u>
<b>NET ASSETS (DEFICIENCY)</b>		<u>(510,304)</u>	<u>(545,463)</u>
<b>EQUITY</b>			
Asset Revaluation Reserve		326,348	326,348
Retained earnings (accumulated deficit)	10	(836,652)	(871,811)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<u>(545,463)</u>	<u>(545,463)</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 CHANGE IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	\$
Balance as at 1 July 2015	(598,223)
Add Surplus for the year	52,760
Closing balance as at 30 June 2016	<u>(545,463)</u>
Add Surplus for the year	35,159
Closing balance as at 30 June 2017	<u><u>(510,304)</u></u>

The accompanying notes form part of these financial statements

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	2016-2017	2015-2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Membership Fees	583,489	621,394
Receipts from other reporting entities		
Other	10,027	16,664
<b>Cash used</b>		
Payments to suppliers and employees	(567,342)	(540,460)
Payments to other reporting entities		
Net cash from (used by) operating activities	<u>26,174</u>	<u>97,598</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of furniture, equipment etc.	(23,031)	(1,865)
Net cash from (used by) investing activities	<u>(23,031)</u>	<u>(1,865)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advances from (repayments to) related entities	(3,143)	(99,184)
Net cash from (used by) financing activities	<u>(3,143)</u>	<u>(99,184)</u>
Net increase (decrease) in cash held	11. -	(3,451)
Cash at Bank at beginning of year	-	3,451
Cash at Bank at end of year	5A. <u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

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

**RECOVERY OF WAGES ACTIVITY  
FOR THE PERIOD ENDED 30 JUNE 2017**

	30-6-2017	30-6-2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>
Payments		
Payments to workers in respect of recovered money	-	-
Deductions of fees or reimbursement of expenses	-	-
<b>Total payments</b>	<b>-</b>	<b>-</b>
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**

**Index to the Notes of the Financial Statements**

Note 1	Summary of significant accounting policies.
Note 2	Events after the reporting period.
Note 3	Income.
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Non-current liabilities
Note 10	Accumulated losses
Note 11	Cash flow reconciliation
Note 12	Contingent liabilities
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Business combinations
Note 18	Segment reporting
Note 19	Administration of financials affairs by a third party
Note 20	Section 272 Fair Work (Registered Organisations) Act 2009
Note 21	Use of "LGRCEU" in Union activities
Note 22	Economic dependence
Note 23	Disclosure of material interest of officers

**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 2017**

**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.**

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 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.

**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 maintains 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.

**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 2017**

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

**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.

**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%.

**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 2017**

**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.

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 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of 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 2017

	30-6-2017	30-6-2016
	\$	\$
<b>Note 3 – Income.</b>		
<b>3A: Capitation fees.</b>	-	-
<b>3B: Levies.</b>	-	-
<b>3C: Interest.</b>	-	-
<b>3D: Rental Revenue.</b>		
Rental revenue from properties	10,027	13,923
<b>3E: Grants or donations.</b>	-	-
<b>3F: Net gains from sale of assets.</b>		
Plant & equipment	-	2,379
<b>Note 4 – Expenses.</b>		
<b>4A: Employee expenses.</b>		
<b>Holders of office:</b>		
Wages and salaries	184,154	242,904
Superannuation	19,840	36,298
Leave and other entitlements	-	-
Separations and redundancies	-	-
Subtotal employee expenses holders of office	103,994	279,202
<b>Employees other than office holders:</b>		
Wages and salaries	178,704	120,282
Superannuation	18,497	10,762
Leave and other entitlements		
Separations and redundancies		
Subtotal employee expenses employees other than office holders	197,201	131,044
Total employee expenses	401,195	410,246
<b>4B: Capitation fees.</b>		
No Capitation fee was payable to the WAMEU-FED (the Union Council) for the financial year.	-	-
<b>4C: Affiliation fees.</b>	-	-
<b>4D: Administration expenses.</b>		
Consideration to employers for payroll deductions	494	773
Compulsory levies	-	-
Fees/allowances – meeting & conferences	-	-
Conference & meeting expenses	1,915	2,221
Property expenses	58,193	77,912
Office expenses	29,637	26,894
Other	23,238	14,334
Total administration expenses	113,477	122,134

**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 2017**

	30-6-2017	30-6-2016
	\$	\$
<b>4E: Grants or donations.</b>	<u>-</u>	<u>-</u>
<b>4F: Depreciation and amortisation.</b>		
Depreciation		
Land & buildings	2,313	2,313
Plant, equipment & vehicles	1,827	1,236
Total depreciation and amortisation	<u>4,140</u>	<u>3,549</u>
<b>4G: Finance costs.</b>		
Amortisation of borrowing costs	1,373	1,373
Total finance costs	<u>1,373</u>	<u>1,373</u>
<b>4H: Legal costs.</b>		
Litigation	-	-
Other legal matters	35,579	33,089
Total legal costs	<u>35,579</u>	<u>33,089</u>
<b>4I: Write down &amp; impairment of assets.</b>	<u>-</u>	<u>-</u>
<b>4J: Net losses from sale of assets.</b>	<u>-</u>	<u>-</u>
<b>4K: Other expenses.</b>		
Member expenses	1,798	742
Motor vehicle expenses	21,440	13,591
Travel & accommodation	-	-
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	<u>23,328</u>	<u>14,333</u>
<b>Note 5 – Current Assets.</b>		
<b>5A: Cash and cash equivalent</b>		
Cash at bank	<u>-</u>	<u>-</u>
<b>5B: Trade and other receivables</b>		
Receivables from other reporting units	-	-
Other receivables	33,173	30,365
Unexpired borrowing expenses	1,675	3,797
	<u>34,848</u>	<u>34,162</u>
Less provision for doubtful debts	-	-
Total Trade and other receivables	<u>34,848</u>	<u>34,162</u>

**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 2017**

	30-6-2017	30-6-2016
	\$	\$
<b>Note 6 – Non-current assets.</b>		
<b>6A: Land &amp; Buildings</b>		
Reconciliation of the opening & closing balances		
Gross book value – based on an independent sworn valuation dated 15th April 2010 ( * )	415,886	415,886
Accumulated depreciation & impairment	(21,305)	(18,992)
<b>Net book value 1 July</b>	<u>394,851</u>	<u>396,894</u>
Depreciation expense for year	(2,313)	(2,313)
<b>Net book value 30 June</b>	<u>392,268</u>	<u>394,581</u>
Property rental revenue – see Note 3D		
<b>6B: Furniture, equipment &amp; vehicles</b>		
Reconciliation of the opening & closing balances		
Gross book value at 1 July	42,626	40,761
Accumulated depreciation & impairment	(28,886)	(27,650)
<b>Net book value 1 July</b>	<u>13,740</u>	<u>13,111</u>
Disposals	-	(321)
Additions by purchase	23,581	2,186
Depreciation expense for year	(1,827)	(1,236)
<b>Net book value 30 June</b>	<u>35,494</u>	<u>13,740</u>
<b>Total Land, Buildings, Furniture &amp; Equipment</b>	<u>427,762</u>	<u>408,321</u>

( \* ) The revalued land and buildings consist of rental duplexes in Denmark, Western Australia. Management determined that this constitutes one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Fair value of the property was determined by using market comparable method. This means that the valuation by the valuer is based on the active market prices, significantly adjusted for the nature, location or condition of the property. As at the date of the revaluation (15<sup>th</sup> April 2010), the property's fair value is based on the valuation performed by Albany Valuation Services, an accredited independent valuer.

**Note 6F – Investments**

Shares in Unlisted company	<u>3</u>	<u>3</u>
----------------------------	----------	----------

**Note 7 – Current Liabilities.**

**7A: Trade payables**

Trade creditors and accruals	<u>74,143</u>	<u>67,401</u>
------------------------------	---------------	---------------

Total Trade creditors and accruals are expected to be settled in:

No more than 12 months	74,143	67,401
More than 12 months	-	-
<b>Total other payables</b>	<u>74,143</u>	<u>67,401</u>

**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 2017**

	30-6-2017 \$	30-6-2016 \$
<b>Note 8 – Provisions.</b>		
<b>8A: Employee provisions</b>		
Office Holders		
Annual leave	110,778	115,799
Sick leave	168,891	163,398
Long service leave	71,256	82,314
Rostered days off & time in lieu	45,737	46,079
Separations and redundancies	-	-
Subtotal Employee provisions – office holders	<u>396,662</u>	<u>407,590</u>
Employee provisions – other than Office Holders		
Annual leave	3,920	19,642
Sick leave	11,136	11,886
Long service leave	17,025	13,907
Rostered days off & time in lieu	9,158	3,507
Separations and redundancies	-	-
Subtotal Employee provisions – other than office holders	<u>41,239</u>	<u>48,942</u>
Total Employee provisions	<u>437,901</u>	<u>456,532</u>
Current	268,283	271,717
Non-current	169,618	184,815
Total Employee provisions	<u>437,901</u>	<u>456,532</u>
<b>Note 9 – Non-Current Liabilities.</b>		
<b>Unsecured Loan</b>		
Western Australian Municipal, Road Boards, Parks, and Racecourse Employees' Union of Workers, Perth	<u>460,873</u>	<u>464,016</u>
<b>Note 10 – Equity</b>		
<b>Note 10A – Funds</b>		
Balance at the beginning of the year	871,811	924,570
Surplus for the year	35,159	52,759
Balance at the end of the year	<u>836,652</u>	<u>871,811</u>
<b>Note 10B – Other specific disclosures - funds</b>	<u>-</u>	<u>-</u>
<b>Note 11 – Cash Flow</b>		
<b>Note 11A – Cash Flow Reconciliation.</b>		
Operating surplus for year	35,159	52,760
Add non-cash items:		
Depreciation	3,589	3,549
Accrued employee entitlements	(18,631)	30,416
Changes in assets and liabilities:		
Acquisition of furniture	(23,031)	(1,865)
Decrease (Increase) in debtors & receivables	(685)	12,024
Decrease (Increase) in trade & other payables	6,742	(1,141)
Decrease (Increase) in inter-entity debt	(3,143)	(99,194)
<b>Net increase (decrease) in cash held</b>	<u>-</u>	<u>(3,451)</u>



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 2017

	30-6-2017 \$	30-6-2016 \$
<b>Note 11B – Cash inflow information.</b>		
Cash Inflows	28,981	98,749
Cash Outflows	28,981	102,200

**Note 12 – Contingent Liabilities.**

There are no known contingent liabilities.

**Note 13 – Related Party Disclosures.**

**13A: Related Party Transactions for the reporting period.**

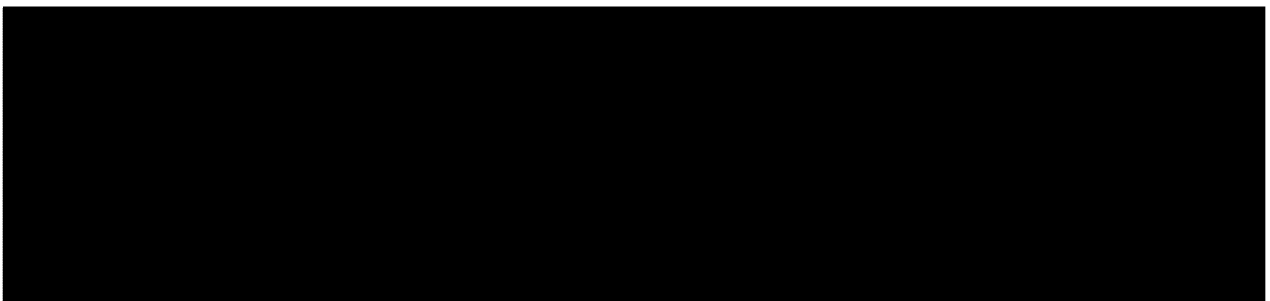
There was no: revenue received from; expenses paid to; amounts owed by or to; loans from or to, or assets transferred from or to related parties during the reporting period.

**13B – Key Management Personnel Remuneration for the reporting period.**

	\$	\$
Short-term employee benefits		
Salary (including leave taken)	146,051	149,696
Annual leave accrued	4,274	6,480
Total short-term employee benefits	150,325	156,176
Post-employment benefits - superannuation	19,840	29,653
Total post-employment benefits	19,840	29,653
Other long-term benefits - Long service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	170,165	185,829

**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	2,500
Accounting services in preparation of financial statements	2,900	3,175
Total remuneration of auditors	5,400	5,675

**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.

**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 2017**

**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 2017	<u>Date of valuation</u>	\$ <u>Level 1</u>	\$ <u>Level 2</u>	\$ <u>Level 3</u>
Duplex rental property	15 April 2010	-	-	410,000
	Additional costs	-	-	5,887
Total		-	-	415,887
Fair value hierarchy 30 June	<u>Date of valuation</u>	\$ <u>Level 1</u>	\$ <u>Level 2</u>	\$ <u>Level 3</u>
Duplex rental property	15 April 2010	-	-	410,000
Total		-	-	410,000

**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.

**Note 23 – Disclosure of material personal interests of officers**

Each officer of the Union in accordance with the requirements of Section 293C of the Fair Work (Registered Organisations) Act 2009 has individually disclosed to the Management Committee that they do not have any material personal interests that related to the affairs of the Union.