



Baptist Churches
WESTERN AUSTRALIA

ANNUAL REPORT 2020

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Vision

An empowering movement helping pastors, ministries, churches
and their communities say Yes to Jesus

Mission

Building a Healthy Church

Values

We value living lives that are fully dependent on God
in obedience to Christ and the Bible

We value building trust within Baptist Churches
of Western Australia

We value generous hearts that are committed
to building the Kingdom of God

We value all people inside and outside
the family of God – every generation, every culture

We value doing our best because it
honours God and inspires others

We value integrity – committed to being honest,
transparent and above reproach

We value community because we are
stronger when we work together

Council Chair

Pastor Karen Siggins

I had to smile as I sat to write this report. I looked back at what I had written last year and was reminded that I had spoken of significant cultural shifts and the pressing need for local churches and our denomination to intentionally and genuinely engage with our communities so that we will continue to be a movement that helps people say “yes” to Jesus.

It was only a few months later that we found ourselves in the grip of COVID-19. With the pandemic came accelerated change and uncertainty and a new urgency to consider how the words, the ways and the works of Jesus can be lived out in faith communities.

It has been challenging to think about this in the context of the BCWA Council’s role of governance oversight and promotion of the objectives of the Baptist Union; namely resourcing and supporting leadership of healthy missional churches, fostering the unity of the churches and enabling churches of the Union to work together for the advancement of God’s Kingdom in ways that churches might not manage well in isolation.

N.T. Wright wrote an article for Time magazine that became a short book titled, “God and the Pandemic”. He makes two wise observations that I encourage us all to consider in both our local churches and as a Baptist movement.

The first is that we must take time to lament and grieve with each other and our communities. Not to grieve, Wright says, is to deny love. As local churches and as a movement let’s not rush head long into the “new normal” or hanker after what was, praying we can go back to it. Instead, in the fine tradition of the lament psalms let’s sit with our communities and acknowledge that we don’t have easy answers to what is happening. We don’t have neat responses to COVID-19 nor to questions about faith and life that were occupying our minds pre pandemic. We have seen again and again in the way God works in human history that being present with our fears and doubts is the way of strength and clarity (in time).

The second is to be committed to pray for faith leaders and leaders in government. Some think that life will be for ever changed in good ways post pandemic while others are sceptical and think we will revert to our old familiar patterns that see vulnerable people oppressed and God’s glorious creation misused. Please pray for leaders across the world and pray for those who lead the Baptist movement. Pray for wisdom and patience and resolve to step into changes that reflect God’s love and justice and the liberation won for us by Jesus.

Which brings me to some thank yous. First of all, to all the partner churches that make up BCWA. Thank you for participating in the kingdom of God in your local communities, showing love and respect and care to people within your churches and in your wider community.

Thanks also to all the staff at the Baptist Ministry Centre, Vose Seminary and Campsites and their Executive management group of Brian Harris, Jackie Smoker, Mike Bullard, Greg Holland and Ross Daniels, led by Director of Ministries, Mark Wilson. This team has served faithfully and graciously, dealing with the increasingly significant complexity around compliance, finances, healthy churches and pastors, theological education and more so that we in local churches can be free to serve our communities.

Finally, my thanks go to my fellow Council members - Dr. Vanessa Chang, Anne Galambosi, Martin Alciaturi, Jarod Avila and Brian McDonald. This Council is well equipped to oversee the governance of BCWA and committed to a movement that sees local churches thrive in Jesus’ name.

Let me close with these words from Psalm 43

Send out your light and your truth;
let them guide {us}.
Let them lead {us} to your holy mountain,
to the place where you live.
There {we} will go to the altar of God,
to God—the source of all {our} joy.

Go well into the year ahead confident that God remains our source and our goal.



Baptist Churches Western Australia Council



Pastor Karen Siggins
Chair

BA; GradDipEd; MDiv; GradDipMin

Karen has served on the BCWA Council since October 2011.

Karen has pastored at Lesmurdie Baptist Church since 2005.

While acknowledging that the cultural landscape has changed enormously

since the beginnings of the Baptist movement in WA, she remains convinced that local churches are the communities best placed to show God's love and help people say yes to Jesus. To that end she is committed to fostering relationships locally and sees that at a state level there is much we can do to empower local communities.

Karen is married to Hadyn and they enjoy time spent with their adult children and their families and are looking forward to the next chapter of life when Karen concludes at LBC mid-2021.



Mr. Martin Alciaturi

BSc(Eng); FCA; FINSIA (Senior Fellow); MAICD.

Martin has served on the BCWA Council since 2019 and is a member of Claremont Baptist Church.

He is the Finance Director of Aquila Resources, a resources company with substantial development interests.

Martin has previously been a partner in an international accounting firm as well as having served on the Board of Activ and been a member of the Federal Government's Takeovers Panel.

Martin is married to Linda and they have two adult children.



Dr. Vanessa Chang
Vice-Chair

PhD; MInfSys; PGDipIS; BSc; Fellow ACS.

Vanessa has served on the BCWA Council since 2014 and is a member of Woodvale Baptist Church.

Vanessa is married to Ted and they have four children – Rebecca, Ebony,

Faith and Micah.

Vanessa is a Professor and is the Deputy Pro Vice Chancellor, Faculty of Business and Law at Curtin University. Vanessa has served on the Board of YouthCARE.



Mr. Jarod Avila

BCom; LLB

Jarod has served on the BCWA Council since 2019 and is a member of Lesmurdie Baptist Church.

Jarod is a versatile business leader with significant expertise and over 20 years of experience in retail banking, business banking, insurance, energy

and other industries.

He serves as the Chairperson of Mary's Mount Primary School and is a Board member of the William Kennedy Trust (and four related charitable foundations).

Jarod is married to Jenny. Together they have three teenage children.



Mrs. Anne Galambosi

BA Couns; GDipPsych; BSc(Hons); M.Clin.Psych.

Anne has served on the BCWA Council since 2018 and is a member of Rockingham Baptist Church.

Anne is a Clinical Psychologist and provides sound Christian counsel and guidance across all ages.

Anne is married to the Steve, the Senior Pastor of Rockingham Baptist Church and together they have three children with their spouses and four grandchildren.



Mr. Brian McDonald

MAICD, MBA(Exec), GradDipAppFin, BE(Met) Hons

Brian has served on the BCWA Council since 2019 and is a member of East Fremantle Baptist Church, where he has been serving as the Council chairperson since 2016. He is also a Board Member at his local

tennis club.

He is a versatile senior business leader with strong business acumen and strategic insight. Brian is working for a large mining company in Sales and Marketing and has over 15 years' international experience; particularly working with customers in the Asia region, including living for 2-years in Beijing.

He is married to Nyree and they have two children.

Director of Ministries

Pastor Mark Wilson



Welcome to the 2020 Annual Report for the Baptist Churches Western Australia.

It has been a very challenging year for everyone due to COVID-19. The impact on pastors, churches and the ministries of BCWA has been significant. Everyone has had to adjust to protect the health of Western Australians. The impact for BCWA fulltime staff who have had reduced paid hours (at least one day a week) whilst mostly maintaining working fulltime hours has been a challenge. I am very grateful to the staff at Vose, Camping Venues and Baptist Ministry Centre who have made sacrifices financially without slowing down on fulfilling our vision to be an empowering movement helping pastors, churches, ministries and their community say Yes to Jesus. We have endeavoured to support our churches by advising and interpreting the government requirements during this period. At the time of writing, staff will remain on reduced hours until the start of October 2020.

It has been difficult for so many Western Australians with serious extraordinary health and economic challenges, but I am grateful for the way the Western Australian Government has led us during this period. We received a letter from Premier Mark McGowan MLA, thanking Baptist Churches western Australia.

The Premier shared, *“during these difficult times, community leaders have provided an important function. You have delivered messages of hope, faith and trust, and encouraged people to be patient, respectful and kind throughout this difficult time. We understand that restrictions on gathering seriously impacted the ability of faith leaders to carry out a range of services for their constituencies, and we sincerely thank you for adhering to restrictions and ensuring compliance with Government restrictions.”*

We have written to the Premier, thanking him for his leadership and letting him know Baptists continue to pray for him.

I want to thank all our churches and pastors for the amazing way you have pastored and lead during this season. We continue to pray for you all and I thank those pastors and churches who have sent encouraging messages to the BCWA staff. We are so much stronger when we work together in community as a family of Baptists churches and ministries.

Another key challenge has been responding to and implementing the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, including participation in the National Redress Scheme. The Scheme provides the Church an opportunity to provide acknowledgement and support to people who experienced institutional child sexual abuse whilst other recommendations provide a safer environment for all.

Our mission statement is *Building a Healthy Church*, and I believe strongly that the health of a church is integrally intertwined with the health of its pastor, along with having strong leadership and systems in place supporting the church in its ministry to its community.

It's been my privilege to continue to serve as one of the Vice-Presidents for the Asia Pacific Baptist Federation, a regional movement of over 33,000 churches and it has been a pleasure to mentor Dr Vesekhoyi Tetseo, General Secretary of the Federation during 2020.

I want to thank the Baptist Assembly Council and particularly their Chair, Pastor Karen Siggins who hold me accountable, offer support and guidance as the Director of Ministries. Karen has given of herself sacrificially time during this last year, and I am extremely grateful for her leadership.

I am extremely appreciative of the staff of the Baptist Churches Western Australia they faithfully serve in their respective ministries and I commend the reports to you on the following pages from the team who faithfully lead in their areas of responsibility.

Church Health and Pastoral Support

Pastor Jackie Smoker and Pastor Mike Bullard

Whilst the year has brought unique challenges in assisting with resources and information for churches around COVID-19, and Safe Church, the Church Health and Leader Support team has also continued to support and equip pastors, and leaders from across the State.



Pastoral Peer groups continue to be a prime element in supporting Pastors throughout the State with more than 140 pastors participating in a peer group. Whilst we could not hold the annual Pastor's Retreat, an online event was held with over 80 pastors participating in the Online meeting, with Pastor Craig Vernall from New Zealand delivering a timely message encouraging many.

The Accreditation stream helps provide a framework for the formation and accountability of pastors and leaders in our movement. Throughout the preceding year, twelve people were accepted as Accreditation Candidates, four people transferred their credentials and ten Pastors completing the final steps in the Accreditation process. The Ongoing Accreditation process has been reviewed in response to recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, with Supervision requirements updated. This has resulted in additional needs and subsequent training for Professional and Pastoral Supervisors.

After significant changes in Safe Church throughout 2018/19, the centralised workshops gathering people together were well received, this year has seen a rapid response to enable online training. This has had many challenges, including the rapid learning curve for many in applying Safe Church principles to the Online environment that we found ourselves in. This is particularly important given the insurance requirements for Safe Church policies and training, and the Safe Church Team continue to refine the training and seek to serve and assist churches with implementation and training. An addition to the team has been the Safe Church Coordinator, who provides support specifically to assist in the implementation of Safe Church.

The Next Generations, Baptist Youth Camps and Events continued with their unified theme of "Follow Me" in 2019 and "We are in Christ" for 2020. Whilst many events in 2020 were cancelled, many online alternatives were presented including interviews with a number of specialists.

The www.nextgenbaptistwa.com.au website has a broad selection of resources available to assist Next Gen leaders, including Children's, Youth and Young Adult leaders; and ranging in topics from facilitating small groups through to discipleship. Baptist Youth Camps ministry has been undergoing review, and the decision was made to pause the running of camps to focus the resources on the review and implementation of future camps which will be run in co-operation with local Baptist churches. Planning is underway for future camps.

Sportsfest 2019 had the theme of 'Nations' and over 1,000 participating in the full weekend of Sports and activities, celebrating life. For fifteen years, BCWA has also worked with WA Police to provide the entertainment Zone for Leavers. The Green Team comprised of 150 volunteers who all helped in overseeing the Zone which provides a safe environment for 7000+ leavers. Whilst BCWA began conversations with WA Police in December 2019 to renew the expired contract, a contract had not been issued in June 2020 with WA Police reviewing the Leavers Strategy. Although some restrictions have eased, BCWA could not commit to delivering the entertainment zone in such a short time frame. Discussions are continuing on how Green Team may be involved in Leavers 2020.

Another area within Church Health and Leader Support is Professional Standards. This includes assisting pastors, leadership teams and individuals with complaints, Persons of Concern, and response to historic matters. This is a difficult, time consuming, yet important area, and whilst at times there are complexities to navigate, BCWA are pleased to be able to assist in such matters. There are many reviews still being conducted in order to thoughtfully consider necessary changes as a result of the findings from the Royal Commission into Institutional Response to Child Sexual Abuse and amendments to legislation such as Mandatory Reporting.

Cross-cultural and Indigenous ministries continues as a growing area of engagement. New avenues of equipping leaders have been explored this year with training in basic exegesis offered in several languages, currently with 28 people. Support has continued for churches in various areas such as ACNC compliance, advice on leadership and ministry issues, and this year in managing COVID-19.

Baptist world Aid Australia continues to work among our churches to encourage local catalyst groups, sponsoring children and communities, disaster relief, the global efforts at equitable supply chains (Ethical

Fashion), eradication of COVID-19 for all, and specific projects of advocacy and community development throughout the world. www.baptistworldaid.org.au/our-story

Global Interaction continues to support our churches in informing and encouraging engagement with least-reached peoples and assisting missionaries in preparation for service and support in service. A strategic Missions week hub was hosted in WA. Key stakeholders have participated in feedback on new strategic directions. Several mission families remain in WA waiting restriction to ease before returning to their placements. www.globalinteraction.org.au/who-we-are/teams/wa

Crossover annually runs evangelism training events which have been cancelled for 2020. Discussion continues online. Evangelistic videos, PRAC magazine and other resources continue to be produced for use by churches. www.crossover.org.au

Women's Leadership and Ministry continued with Fresh conference in 2019. 2020 saw its cancellation due to COVID-19 and future years will be reviewed. Online connection events have continued and support for women pastors and leaders through training, support and peer group connections. The Women's Leadership Pastor continues in the role of Chair of the National Baptist Women's Ministries. www.baptist.org.au/baptist-women

Finance and Administration

Greg Holland

The Finance and Administration Team's responsibilities include financial management & controls, reporting, treasury, information technology and communications, human resources, governance, risk and compliance, assets & properties, statutory year end reporting and audits, insurance, financial services, document management and archives and also representation of the BCWA on several Boards and Committees.

The central finance team provides accounting and compliance support through shared services for 45 entities including, BCWA, Vose, Camping Centres, Mount Barker CRC, several trusts, related ministry organisations, 1 Baptist College and 34 churches and church related entities and growing. Three key achievements in the past year, include:

- The establishment of Baptist Business Support Services to meet ongoing service and compliance requirements in a growing area of our ministry;
- Implementing Employment Hero, a new payroll and human resource services system that integrates with Xero, for all our entities; and
- Successfully navigating and managing the Job Keeper program for all approved entities.

Two key areas of involvement and partnership are the provision of insurance and financial services.

Baptist Insurance Services (BIS)

BIS operates as a delegated body of Australian Baptist Ministries and exists to enable and protect the Baptist movement in Australia while minimising the need to take critical funds away from the important ministries they run. This is achieved by developing and delivering a comprehensive range of insurance and risk management programs to Baptist Union affiliated entities in the most cost-effective manner.

Settling into a new way of operating with an Australian Financial Services Licence (AFSL), BIS continue to explore what opportunities that exist under the broad nature of the granted licence would best benefit the Baptist movement nationally. This could see positive changes be considered in future renewal periods to combat the effects of a hardening insurance industry, but there have been no significant changes required or made to date.

BIS operates nationally in all states and territories, with local staff administering the BIS policies in WA, delivering local support with the backing of the BIS National Office in Victoria.

The BIS program provides comprehensive insurance cover protection to more than 140 Baptist churches and ministries, 3 campsites, and 17 Baptist schools in WA. As of June 2019, BIS in Western Australia is covers over \$971 million worth of buildings and contents, up \$62 million from the previous year.

BCWA also arranges Workers' Compensation Insurance for staff at churches, ministries and schools, consistently achieving very competitive rates from the insurer due to typically low claims and the large size of the group. The arrangement of this Workers' Compensation Insurance cover by BCWA is unique in Australia



and we are delighted to support the WA Baptist movement through this ministry, with this year's Workers' Compensation Insurance cover representing over \$100 million in estimated wages.

Baptist Financial Services (BFS)

BFS exists primarily to help resource Christian ministry and provide loans to churches, schools, and community services to develop their ministries, and to help them to build or purchase properties, and repair or upgrade their facilities. We have experienced an increasing number of churches from other denominations also coming to us because of our unique ministry-based loans.

In Western Australia, we had substantial growth in lending and investment activity in 2019 with loans growing by 18% and investments by 15%. This strong growth enabled BFS to pay \$136,428 in support of the ministry of Baptist Churches Western Australia for the last financial year.

Over 75% of Baptist churches have accounts and services with BFS. Other Christian organisations and churches are also investing and have accounts and services with BFS. This is important to help fund the increasing number of other denomination loans.

In October of 2019, BFS together with BCWA finance team, Baptist Insurance and the BCWA management team ran a BCWA Administrators and Governance seminar that saw over 100 people across the state attend.

BCWA continues to value the strong partnership with BIS and BFS as we serve our Baptist churches, ministries, and schools together.

Vose

Rev Dr Brian Harris

The period covered by this report has been momentous for the seminary.

Following on from the discussion at Assembly 2019, a merger between Vose Seminary and Morling College has been actively pursued, and subject to the approval of the 2020 Assembly, a Heads of Agreement has been signed which will see the two colleges merged from 1 January 2021.

As such, it is likely that this is the last report on Vose Seminary as an official department of the Baptist Churches Western Australia.



There are many advantages to the proposed merger. In an age when small theological colleges are struggling to survive and many have closed their doors, the merged college will be one of the largest theological colleges in the Southern Hemisphere, well equipped to provide training both for pastors of Baptist and other denominations, and for a wide range of ministries which support the witness and vision of the Christian faith in the world. With technological leaps rapidly overcoming the obstacle of geographic location, students based at the Perth campus will have access to all the current Vose staff, as well as the expertise of staff based at Morling's Sydney campus. Online offerings will be greatly enhanced while it is hoped that the teacher education, chaplaincy and counselling courses currently offered on the Morling Sydney campus will also be available to Perth based students. A vision for Christian Higher Education is emerging which should position us well to equip students to creatively, compassionately and faithfully address the many challenges faced by the church in the twenty first century.

Though the smaller of the two partners in this merger, Vose brings a great deal to the table, and Baptists in Western Australia can be proud of the heritage forged since the seminary was birthed under their oversight in 1963. The seminary enters the merger in excellent heart and has an established international reputation as a result of the standing, engagement and publications of its staff.

There are a number of achievements in this reporting period.

Two books produced by faculty are due for release prior to the Assembly. Michael O'Neil and Peter Elliot are the editors of *Beyond Four Walls: An Exploration of Being the Church* (Wipf and Stock, 2020) which has contributions from most of the Vose academic staff, while the Vose Principal, Dr Brian Harris has written *Why Christianity is Probably True: Building the Case for a Reasoned, Moral and Relevant Faith* (Paternoster, 2020), adding to the six other books he has published during his time at Vose.

Vose Librarian Dr Nathan Hobby recently signed a contract with Melbourne University Press to publish a biography on the noted Australian author Katharine Susannah Prichard, who is widely regarded as the first Australian novelist to gain international recognition. The range and reach of Vose staff is indeed wide.

The seminary was contracted by Christian Schools Australia to produce *Open Book: A Biblical Literacy Project*, a series of videos backed by study guides to help staff at Christian Schools better understand the flow of the biblical story, and ways to best interpret it. Launched in August 2019, several thousand staff at Christian Schools around Australia and beyond have now undertaken this training with the professionalism of the project being acclaimed by the CEO of Christian Schools Australia (CSA) to have set a new standard for the industry. So impressed were CSA with *Open Book*, they immediately contracted Vose to produce a second Professional Development tool for their staff *Flourish: A Vision of Christian Schooling*, which was recently released and is likely to be taken by most of the almost ten thousand staff employed at schools related to CSA. *Flourish* consists of four professional development sessions made up of videos and workbooks.

Vose staff continue to punch above their weight within the Australian College of Theology (ACT), Australia's largest and oldest theological consortium. During 2019/20, Vose staff continued to play key roles in the consortium. Dr David Cohen is the Head of the Department of Bible and Language for the ACT, and also serves on its Academic Board and its Quality Assurance Committee; Dr Michael O'Neil serves on the Research Committee as well as the Coursework Committee, while Dr Brian Harris serves on the Board of Directors and Chairs the Academic Board.

Enrolments at Vose peaked in 2016, and then as with theological colleges around the world, slipped from 2017 onwards. However, recently numbers have started to bounce back, and Vose enters their final semester under the oversight of BCWA with their ACT enrolment only a little below the all-time 2016 high.

Every year Vose graduates have found pastoral positions within the churches of BCWA – as well as within several other denominations. The period under review was no exception. Vose works closely with accreditation candidates for BCWA, and a recent unit on Denominational Distinctives was attended by 28 students, 26 of whom are hoping to become accredited pastors with the Baptist Churches Western Australia.

During the first semester of 2020, COVID-19 saw the seminary quickly adjust from offering face to face and online courses to all online courses. Though this involved a significant amount of work, staff were magnificent in rising to the challenge, and an external survey of our students' reaction to our response to the COVID-19 pandemic showed Vose student satisfaction ratings to be amongst the highest in the country. At the time of writing face to face teaching is again taking place on campus, but the Australian College of Theology requires all its colleges to be ready to transition back online at short notice should the pandemic require this (sadly, this has already been necessary for ACT Colleges in Victoria). Vose staff have put in the hours to ensure we will be ready should this again be required.

It is only reasonable to note that these achievements have been made in the difficult financial environment faced by BCWA. In May, all full-time staff hours were reduced by 20% to prevent staff layoffs. The challenges of adjusting teaching to meet COVID-19 requirements and the considerable amount of extra work required to prepare for the merger have meant that most staff have voluntarily gifted back the reduced hours (and many more) to ensure the seminary continues to provide a service all at BCWA can be proud of.

While the oversight of the seminary is likely to change hands on 1 January 2021, all are committed to retaining a warm and close relationship with BCWA, and all associated with the seminary are grateful for the vision and support of the Baptist Churches Western Australia for over half a century. There is gratitude for the past, and great hope for the future.

Campsites and Special Projects

Ross Daniels

There is a 50-year history with each facility in the Western Australia Baptist movement that demonstrates how camp memories have become significant faith markers in the lives of many Christians, through their unique environments. When guests stay at a Baptist Camping Centre, it is our hope that they will have the chance to separate from the daily routine, enjoying *Getting Away Together* and being surrounded by some of the most amazing locations in Western Australia.

All three sites have been active in the areas of improvements and looking to give a greater camper experience. The facilities are mature, and we are blessed to have them. Small groups, churches and school camps have commented on how refreshed and revitalised they are following a stay at our camp sites.

The incredible Kennedy by the sea on our Southern Oceans, continues to be a beacon of sanctuary and rest for the soul. We are working through many tasks to ensure the ministries continue. Many of our buildings are presenting extraordinary well, however the team at Kennedy are few and we would value any practical support from our wider Baptist Churches. Our team Mike and Naomi Flora are just incredible in their dedication to the ministry and the legacy of this facility.

Our other amazing beach front facility Busselton continues to bless our churches and ministries with the stunning cottages and bunk houses waterfront and group accommodation.

Busselton Manager, Andrew Collins along with Ross Daniels has overseen the installation of new ablution facilities at Busselton, with this having been the largest financial investment on a site since the Serpentine Gymnasium was built in 1997.

The new facilities located on Busselton's Site B include thirteen new showers and toilets that incorporate disability friendly spaces.

Alongside of this, Andrew sourced a shipping container of bunk beds, manufactured to Australian Standards to replace non-compliant and ageing stock, with all three sites benefiting.

Serpentine continues to receive overwhelmingly positive responses for their catering and customer service, with significant thanks to Facility Manager, Marc Marion and Campsite Administrator Linda Cummins for the work they do.

COVID-19 has been difficult for many businesses and the impact on the Camping ministry hit at its hardest in March, with zero income. Pleasingly, following the easing of restrictions in Western Australia, including the intrastate borders being reopened, the sites have seen a positive improvement in bookings. The expectation is that 2021 will be an exceptional year, with record bookings to date.

Over the three facilities we have 38 staff all doing incredible work and bringing their best every day, we thank God for each one of them.

www.baptistcampingcentres.org



Baptist Churches Western Australia Staff

(FT) Full time (PT) Part time (V) Volunteer (C) Casual

Director of Ministries

Ps. Mark Wilson (FT)

Finance and Administration	Church Health and Pastoral Support	Vose Seminary / College	Camping Centres
Greg Holland (FT)	Ps. Jackie Smoker (FT)	Dr. Brian Harris (FT)	Ross Daniels (FT)
Alissa Ryan (PT)	Ps. Mike Bullard (FT)	Dr. Aaron Chidgzy (FT)	Judy Atkinson (PT)
Barbara Jamieson (PT)	Ps. Dan McGrechan (PT)	Amanda Tan (PT)	Linda Cummins (PT)
Deborah Leung (PT)	Ps. Ed Devine (PT)	Andre Kurniwan (FT)	Marc Marion (FT)
Doug Patching (FT)	Gillian Walker (PT)	Bernadette Smith (FT)	Mike Flora (FT)
Grace Merrills (PT)	Jess Ford (FT)	Bridget Barry (FT)	Murray Smoker (FT)
Joanne Gosen (FT)	Kathy Sinclair (PT)	Dr. David Cohen (FT)	Naomi Flora (PT)
Marianne Walker (FT)	Matt Chapman (FT)	Dennis Park (PT)	Casual Staff 30+
Michelle Smoker (FT)	Pam Gallagher (PT)	Hannah Moore (FT)	
Natalie Coulson (PT)	Peter Vermeulen (PT)	Jillian MacLachlan (C)	
Natasha Anderson (FT)	Sally Phu (FT)	Kerry Puzey (FT)	
Shelley Bartels (PT)	Sue Ash (PT)	Lloyd Porter (PT)	
	Ps. Victor Owuor (FT)	Dr. Michael Kok (FT)	
	Warren Haley (C)	Dr. Michael O'Neil (FT)	
	Yvette Cherry (PT)	Monica O'Neil (PT)	
		Nathan Hobby (PT)	
		Rowan du Boulay (PT)	

Baptistcare

Russell Bricknell - Chief Executive Officer

Baptistcare is one of WA's largest not-for-profit providers of residential aged care, home care services and retirement living, supporting individuals and communities in metro and regional areas for over 45 years.



While the aged care sector has faced significant change over the past few years, nothing has come close to the unapparelled challenges of the global pandemic, which reached Australia in early 2020. Baptistcare has always maintained rigorous infection control procedures and invested heavily in crises emergency preparation, but the contagious nature of the coronavirus and the vulnerability of the people who entrust us with their care and support demanded an unprecedented response.

The compassion and devotion shown by our employees to our residents, customers and their families throughout the COVID-19 lockdown was humbling and remarkable. From turning up to work every day to support their frontline colleagues through to using technology to keep residents connected to volunteers and loved ones, they kept and continue to keep everyone in the Baptistcare family healthy, positive and safe.

Dedication and innovation were also the hallmarks of our response to the Royal Commission into Aged Care Quality and Safety over the past year. While the final report isn't due until 2021, we took the learnings onboard and set ourselves ambitious new benchmarks for care and support. Ongoing training and education, further individualising care, and reimagining the food and dining experience across our residential aged care facilities were all driven by our vision to be Western Australia's aged care leader.

Over the past 12 months, we exited Dryandra Residential Care in Kellerberrin and withdrew from the Challenger Precinct Redevelopment in Rockingham. We acquired Kalkarni Residential Care which we have managed for the Shire of Brookton since 2008 and we also assumed ownership and management of Global Care's two residential facilities, two retirement villages, day respite centre and home care services, giving us a strong presence in the Swan, Midland and York communities.

The purchase of a 6.7-hectare site in Byford was the first step in creating a \$78M ageing in place hub, including retirement living, contemporary residential aged care, and a Home Care administration centre. Communal spaces and services will be open to the public, and the Byford Baptist Church will build a new church and administration buildings on an adjoining one-hectare portion of the land.

Appointing Community Engagement Consultants across all our regions allowed us to grow our Home Care services, and these knowledgeable, customer-focussed ambassadors have quickly become a valuable resource for their local communities. They play a crucial role in helping families navigate the often-complex aged care system, which is also the aim of our free Demystifying Aged Care sessions.

Recognising the importance of easily accessible information, we took our Demystifying Aged Care concept to the next level and launched a podcast by the same name. Hosted by Baptist Pastor and broadcasting legend, Graham Mabury, it explores a range of topics around the emotional, spiritual, physical, and financial aspects of ageing. Interviews with experts, seniors, and family members have proven to be an engaging way to stimulate conversations about what matters to us as we age.

We enter the next 12 months, knowing there will be more challenges and more opportunities to come. But I am confident with the powerful collaboration of our Board, Executive, employees and volunteers, Baptistcare has the resilience and resourcefulness necessary to not only survive but thrive.

The Baptist Union of Western Australia Inc.
General Purpose Financial Report 2019-20
(Reduced Disclosure)

ABN: 59 739 180 494

**COUNCIL'S REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

FOR THE YEAR ENDED 30 JUNE 2020

Your council members submit the financial report of Baptist Union of Western Australia Incorporated Association.

Council Members

The names of council members throughout the year and at the date of this report are:

- Mark Wilson (Director of Ministries)
- Anne Galambosi
- Karen Siggins (Chair)
- Vanessa Chang
- Martin Alciaturi
- Jarod Avila (appointed October 2019)
- Brian McDonald (appointed October 2019)

Principal Activities

The principal activities of the association during the financial year were to provide support to the Baptist Churches in WA through; Vose Seminary and VET training/courses, pastoral and church leadership advice, running camps and camping centres for the benefit of the churches and the general community.

Significant Changes

No significant changes in operations occurred during the year.

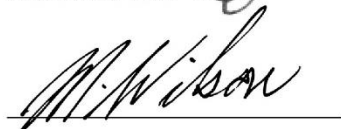
Operating Result

The result from ordinary activities amounted to a net deficit of \$160,379 (2019: deficit \$176,145). Please refer to financial statements for further details.

Signed in accordance with a resolution of the Members of the Council.



Council Member - Chair



Council Member - .

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	3,241,845	3,955,514
Trade and other receivables	4	440,508	416,836
Prepayments		362,934	272,981
TOTAL CURRENT ASSETS		4,045,287	4,645,331
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	489,815	412,916
Land & Buildings	5	11,238,489	11,067,821
Financial Investment	6	1,989,564	2,029,309
Other non-current assets		257,759	176,444
TOTAL NON-CURRENT ASSETS		13,975,627	13,686,490
TOTAL ASSETS		18,020,914	18,331,821
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	268,728	463,457
Provisions	8	3,048,492	1,434,555
Borrowings	9	7,367	-
Other current liabilities	10	808,052	956,727
TOTAL CURRENT LIABILITIES		4,132,639	2,854,739
NON-CURRENT LIABILITIES			
Borrowings	9	220,558	-
Provisions	8	-	204,607
TOTAL NON-CURRENT LIABILITIES		220,558	204,607
TOTAL LIABILITIES		4,353,197	3,059,346
NET ASSETS		13,667,717	15,272,475
EQUITY			
Contributed Equity (Trusts)		305,742	305,742
Opening Balance Equity		7,285,348	7,404,431
Capital Reserve		3,344,693	4,256,182
Reserves		2,892,313	3,482,265
Current Year Earnings		(160,379)	(176,145)
TOTAL EQUITY		13,667,717	15,272,475

The accompanying notes form part of these financial statements.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income	2	7,472,982	7,433,400
Cost of good sold		(1,442,524)	(1,673,520)
Employee benefits expense		(3,331,130)	(3,370,587)
Depreciation and amortisation expenses		(156,433)	(201,008)
Reinsurance premiums		(1,603,507)	(1,395,592)
Borrowing costs expense		(2,333)	(161)
Electricity, gas & water		(140,805)	(134,651)
Building maintenance		(224,558)	(164,201)
IT services		(144,675)	(122,553)
Other expenses		(587,396)	(747,272)
Surplus (Loss) from Ordinary Activities		<u>(160,379)</u>	<u>(376,145)</u>
Other comprehensive income			
Other Income/Expense		-	-
Transfer from General Reserves		-	200,000
Transfer to Capital Reserves		-	-
Transfer to Contributed Equity (Trusts)		-	-
Total comprehensive income attributable to the members	11	<u><u>(160,379)</u></u>	<u><u>(176,145)</u></u>

The accompanying notes form part of these financial statements.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Contributed Equity (Trusts)	Equity	Capital Reserve	General Reserve	TOTAL
	\$	\$	\$	\$	\$
Balance as at 1 July 2018	1,059,650	7,717,047	2,682,457	5,631,791	17,090,945
Add: Prior Year Earnings	-	(176,145)	-	-	(176,145)
Add: Transfer/Adjustment	(753,908)	(312,616)	1,573,725	(2,149,526)	(1,642,325)
Balance as at 30 June 2019	305,742	7,228,286	4,256,182	3,482,265	15,272,475
Balance as at 1 July 2019					
Opening Balance	305,742	7,228,286	4,256,182	3,482,265	15,272,475
Add: Prior Year Earnings	-	(160,379)	-	-	(160,379)
Add: Transfer / Adjustment	-	57,062	(911,489)	(589,952)	(1,444,379)
Balance as at 30 June 2020	305,742	7,124,969	3,344,693	2,892,313	13,667,717

The accompanying notes form part of these financial statements.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from operating activities		7,359,357	7,487,720
Payments to suppliers and employees		<u>(7,777,212)</u>	<u>(7,491,969)</u>
Net cash provided by operating activities	11	<u>(417,855)</u>	<u>(4,249)</u>
Cash flows from investing activities			
Payments for plant and equipment		(201,333)	(105,254)
Payments for building construction and improvements		(322,406)	(176,755)
Purchase of Investment in William Kennedy Trust		<u>-</u>	<u>(48,604)</u>
Net cash provided/(used in) investing activities		<u>(523,739)</u>	<u>(330,613)</u>
Cash flows (used in)/from financing activities			
Proceeds (repayment) from borrowings		227,925	-
Capital reserve		-	(200,000)
Payments for capital contributions provided		<u>-</u>	<u>(588,195)</u>
Net cash (used in)/provided by financing activities		<u>227,925</u>	<u>(788,195)</u>
Net (decrease)/increase in cash held		(713,669)	(1,123,057)
Cash and cash equivalents at beginning of financial year		<u>3,955,514</u>	<u>5,078,571</u>
Cash and cash equivalents at end of financial year	3	<u><u>3,241,845</u></u>	<u><u>3,955,514</u></u>

The accompanying notes form part of these financial statements.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the WA Associations Incorporated Act 2015 and the Australian Charities and Not-for-profits Commission 2012.

- . The entities and departments that comprise the consolidation group are:
- Baptist Churches of Western Australia including Vose Seminary, Campsites, Long Service Leave Fund and Vose Seminary Building Fund
 - Heather and Noel Vose Library Trust
 - Mount Barker Community Resource Centre

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

b. Income Tax

Baptist Union of Western Australia Association Incorporated is exempted from income tax due the exemption granted under section 6.2 of section 50-30 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Leasehold Land and Buildings

Leasehold land and buildings are measured at fair value less accumulated amortisation and impairment losses. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity.

The fair value of the leasehold land and buildings is obtained on a periodic basis by an independent valuer.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Revaluation

Any revaluation increments are credited to an asset revaluation reserve. Revaluation decrements for a class of asset are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

The depreciable amount of assets are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate (%)
Buildings	2.5
Motor Vehicles	12.5
Office Equipment	10-33
Leasehold improvements	10
IT / Computer Equipment	25
Library Books	10

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

d. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Where applicable, estimates, averages and computational short cuts have been used to provide a reliable approximation of the detailed computations illustrated in the standard.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

f. Comparative Figures

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

g. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h. Rental and Grant Income

Revenue from contracts with customers

Rental revenue is recognised when it is due, which for most agreements is in advance of each fortnightly occupation period.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

i. Critical Accounting Estimates

The association evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

j. New, revised or amending Accounting Standards and Interpretations adopted

The association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2020. The association's assessment of the impact of these new or amended Accounting Standards and Interpretations.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
2 Revenue		
Camping fees	1,041,214	1,451,008
Tuition	1,042,189	1,123,601
Donations	171,693	223,320
Combined ministries givings	506,099	477,451
Property premium income	1,567,859	1,614,890
Worker Compensation Premium Income	295,428	308,268
Rental Income	287,308	277,542
Grants received	379,638	315,706
Delegate fees / registration	202,824	374,628
Sponsorship Income	620,003	586,464
Government Assistance - Covid 19	656,000	-
Other	702,728	680,522
	<u>7,472,983</u>	<u>7,433,400</u>
3 Cash and cash equivalents		
Cash on hand	1,366	1,921
Cash at bank	1,802,840	1,101,699
Term deposit	1,437,640	2,851,893
	<u>3,241,846</u>	<u>3,955,513</u>
4 Trade and other receivables		
Accounts receivable	217,745	409,559
Other receivables	222,763	7,277
	<u>440,508</u>	<u>416,836</u>
5 a Property, Plant and Equipment		
Computer equipment at cost	657,132	574,469
Accumulated depreciation	(549,906)	(529,043)
	<u>107,226</u>	<u>45,426</u>
 Furniture and fittings	 603,782	 535,430
Accumulated depreciation	(475,332)	(453,809)
	<u>128,450</u>	<u>81,621</u>
 Office equipment	 248,257	 239,269
Accumulated depreciation	(208,488)	(195,587)
	<u>39,769</u>	<u>43,682</u>

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Motor vehicles	32,841	26,841
Accumulated depreciation	<u>(2,727)</u>	<u>(1,259)</u>
	30,114	25,582
Library books	1,495,225	1,479,450
Accumulated depreciation	<u>(1,347,230)</u>	<u>(1,314,989)</u>
	147,995	164,461
Library journals	352,361	348,796
Accumulated depreciation	<u>(316,100)</u>	<u>(296,652)</u>
	36,261	52,144
Total property, plant and equipment	<u>489,815</u>	<u>412,916</u>
Land & Buildings - at cost	<u>11,238,489</u>	<u>11,067,821</u>

Land was first revalued during the 2016/2017 year. The carrying amount now shown on the balance sheet has been adopted from the value most recently determined by the Valuer General for unimproved land of each location. Previously land was carried at cost. Buildings have been revalued as per the insured value. The revaluation surplus was credited to a reserve in equity. The carrying values will be reviewed and adjusted from time to time, as and when the properties are revalued.

b Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipments and land & buildings between the beginning and the end of the current financial year:

Property Plant and Equipment		
Opening Balance	412,916	508,670
Additions / (Disposals)	233,332	105,254
Depreciation and amortisation expense	<u>(156,433)</u>	<u>(201,008)</u>
Closing Balance	<u>489,815</u>	<u>412,916</u>
Land & buildings		
Opening Balance	11,067,821	10,891,066
Additions	<u>170,668</u>	<u>176,755</u>
Closing Balance	<u>11,238,489</u>	<u>11,067,821</u>

6 Financial Investments

Long term investment in BFS	13	1,500,000	1,500,000
Atlantis Beach Baptist College Loan	15	250,000	250,000
The William Kennedy Trust		238,726	238,726
William Kennedy Revaluation - June 2020		<u>838</u>	<u>40,583</u>
		<u>1,989,564</u>	<u>2,029,309</u>

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
7 Trade and other payables		
Accounts Payable	9,925	188,200
Accrued Liabilities	258,803	275,257
	<u>268,728</u>	<u>463,457</u>
8 Provisions		
Current		
BCWA Redress provision	1,450,000	130,206
Churches Redress provision	15 424,731	378,458
Annual leave provision	238,198	159,611
Long service leave provision	935,563	766,280
	<u>3,048,492</u>	<u>1,434,555</u>
Non Current		
Long service leave	-	204,607
	<u>-</u>	<u>204,607</u>
BCWA Redress Provision		
Payments against this provision during the year totalled \$141k, with the current estimate of liability based on the National Redress Scheme determinations and estimates (ie claims in process), totalling \$1.45m.		
Churches Redress Provision		
The Churches Redress Provision at 30 June 2020 is \$424,731, with no payments made from this Provision during the financial year.		
We currently have Redress determinations against one church and a current Request for Information in process against another church, ie 2 in total. The current estimated draw down from this provision at this time should not exceed \$100k.		
Long Service Leave		
The provision no longer provides for suspended members in the Long Service Leave fund. It has been determined that the probability of this type of long service leave being taken is very low.		
9 Borrowings		
Baptist Financial Services		
Current	7,367	-
Non-Current	220,558	-
	<u>227,925</u>	<u>-</u>
Baptist Union of Western Australia entered into a loan facility on 29th April 2019 with Baptist Financial Services Australia Ltd for a secured interest only and instalment loan facility of \$285,813 for new ablution facilities at Busselton Camping Centre. The term is for 20 years on a variable rate of 6.9%, reduced to 5.9% if payment conditions are made. As BUWA is an affiliated member, the loan will be further reduced to 5.65%. Where instalments are not paid by the due date or the borrower is in default of any terms of the mortgage, the interest rate of 6.9% per annum (variable) may apply. The security of the loan is a registered first mortgage over the property at 32 Transit Road, Jarradale, WA, 6124 (Serpentine Camping Centre).		
10 Other Liabilities		
Income in Advance	533,617	503,317
Third Party Funds Held in Trust	12,925	70,678
Other	261,510	382,732
	<u>808,052</u>	<u>956,727</u>

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

11 Cash Flow Information

**Reconciliation of Cash Flow from Operations with
Profit or Loss/Result from Ordinary Activities**

Profit after income tax	(160,379)	(176,145)
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**Cash flows excluded from profit attributable to
operating activities**

(Gain) Loss on disposal of property, plant and equipment	-	(694)
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Non-cash flows in profit:

Depreciation and amortisation	156,433	201,008
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Changes in assets and liabilities

Decrease/(increase) in trade and other receivables	(113,625)	(509,424)
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(Decrease)/increase in trade payables and accruals	33,196	1,525
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Decrease/(increase) in other operating assets	(397,737)	10,348
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(Decrease)/increase in provisions	64,257	469,133
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	(417,855)	(4,249)
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12 Financial Risk Management

The Association's financial instruments consist mainly of deposits and investments with Baptist Financial Services, trade receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	3,241,846	3,955,513
Trade and other receivables	440,508	416,836
Financial Investments	1,989,564	2,029,309
	5,671,918	6,401,658
Financial Liabilities		
Trade and other payables	268,728	463,457
	268,728	463,457

The Association's Council is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Council monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk.

The council members' overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the Council's objectives, policies and processes for managing and measuring the risks from the previous period.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

a. Liquidity Risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

b. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits, and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the council has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Risk is minimised in the rental bonds held that are available for use to cover arrears if the tenant vacates the property.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties.

c. Market Risk

Interest rate risk

The association is not exposed to any significant interest rate risk.

Fair Value Estimation

The carrying values of financial assets and financial liabilities are at approximately fair values.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

13 Fair Value Measurements

The association measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Leasehold land and buildings

The association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following table provides the fair value of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

Recurring fair value measurements	Level 3	Level 1 & 2
Financial Investments	1,500,000	-
Total assets recognised at fair value	1,500,000	-

In June 2011, the Baptist Union of WA agreed to contribute \$1.5m ("Capital Contribution") to Baptist Financial Services Australia Ltd. The financial investment has unobservable inputs to determine a fair value, therefore, it is held on the basis it receives a return from Baptist Financial Services Australia Ltd.

14 Related Party Transactions

There are various entities within the wider Australia Baptist Network where transactions are made on normal commercial terms and conditions and at market rates.

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its council members, is considered key management personnel.

	2020	2019
	\$	\$
Short-term employee benefits:	327,373	338,214

**BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494**

**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

15 Contingent Liabilities

a Atlantis Beach Baptist College Loan and Guarantee

In November 2017 a long-term loan of \$250,000 was provided to Atlantis Beach Baptist College Ltd (ABBC), a foundation school that commenced in February 2017. This loan was part of a financial rescue package provided by BUWA in conjunction with Baptist Financial Services (BFS). Additionally, BUWA is guarantor for the ABBC loans with BFS totalling \$9.13m when fully drawn, currently \$6.1m. Land, buildings and assets are currently valued at \$5.3m, with a new building being completed by June 2021 for \$3.6m. A potential exposure exists if the school defaults on their loan and other arrangements can't be made or school bankruptcy.

b National Redress Scheme

In addition to the BCWA Redress Provision, which stands at \$1.45m at 30 June 2020, the BUWA has a potential future liability for payments under the National Redress Scheme for claims that may be lodged against us directly, jointly with other institutions or as the Representative/financial backer for the WA Baptist churches Participating Group, until 30 June 2027, the end date for claims to the Scheme.

16 Covid-19 (Coronavirus)

The recent spread of the Covid-19 virus has caused a massive dislocation in the economic circumstances in many economies throughout the world. There is uncertainty as to the effects this may have on the Association and its operations.

17 Subsequent Events

Morling College and Vose Seminary Merger

Following extensive review and consideration, the BUWA entered discussions to merge Vose Seminary operations with Morling College Ltd (the largest baptist college in Australia based in Sydney).

In June 2020, as part of the process of investigating and furthering a merger with Morling, the Boards of Morling College Sydney and Baptist Churches Western Australia made a joint announcement that a Heads of Agreement had been signed for the merger, subject to the approval of the BUWA 2020 Assembly.

The Heads of Agreement outlined the way forward for the merger, with the view to settle the merger by the end of 2020, with 2021 being the first year the college would operate in its newly merged format.

The merger when approved and contracts signed, would involve approximately \$2.0m in Net Assets being transferred from the BUWA consolidated entity.

18 Association Details

The registered office of the association is:

Baptist Churches of Western Australia

21 Rowe Avenue, Rivervale WA 6103

**BAPTIST UNION OF WESTERN AUSTRALIA INC.
ABN 59 739 180 494**

STATEMENT BY MEMBERS OF THE COUNCIL

In the opinion of the Council;

1) The financial report, including notes, as set out on pages 2 to 17 are in accordance with the Incorporated Associations Act (WA) 2015 and the Australian Charities and Not-for-profits Commission Act 2012 and:

- a) comply with the Accounting Standards; and
- b) give a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the year ended on that date.

2) In the Directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with section 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and is signed for and on behalf of the Council by:


Council Representative

Dated: 14 September 2020

INDEPENDENT AUDIT REPORT

To the Members of Baptist Union of Western Australia Inc

Report on the Financial Report

We have audited the financial report of Baptist Union of Western Australia Inc (the 'Union'), which comprises the Balance sheet as at 30 June 2020, the Income statement, Statement of changes in equity and Statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by Council.

In our opinion the financial report of Baptist Union of Western Australia Inc (the 'Union') has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and the requirements of the Australian College of Theology, including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID-19 (Coronavirus)

We draw attention to Note 16 in the financial report, which describes the recent spread of the Covid-19 virus. This event has caused a massive dislocation in the economic circumstances in many economies throughout the world. There is uncertainty as to the effects this may have on the Association and its operations. Our opinion is not modified in respect of this matter.

Responsibility of the Council for the Financial Report

The Council of the Union is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Association either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated this 14th day of September 2020.

Shreeve & Carslake

Shreeve & Carslake
Chartered Accountants

P G Shreeve

PG Shreeve - Partner

At 24 Walters Drive, Herdsman Business Park, WA

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Building healthy churches

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