



Baptist Churches
WESTERN AUSTRALIA

ANNUAL REPORT 2021

CONTENTS

Vision.....	3
Mission.....	3
Values	3
Council Chair	4
Baptist Churches Western Australia Council.....	5
Interim Director of Ministries	6
Church Health and Pastoral Support.....	7
Finance and Administration	8
Campsites and Special Projects.....	10
Baptist Churches Western Australia Staff	11
Baptistcare	12
Morling College Vose Campus.....	13
The Baptist Union of Western Australia Inc. General Purpose Financial Report 2020-21.....	15

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

Mr. Martin Alciaturi

Well, it's certainly been an eventful year since the 2020 Report!

It was November 2020 when we learnt that Rev. Mark Wilson had been appointed National Ministries Director for Australian Baptist Ministries following 14 years of service as the Director of Ministries (DOM) for Baptist Churches Western Australia (BCWA).

Mark's new appointment resulted in a small "domino effect" with Ps. Karen Siggins agreeing to assume the DOM role on an interim basis and myself taking on the role as Chair of the Union Council.

Mark's contribution to BCWA was recognised at a number of events earlier in the year, but I would like to once again record Council's significant appreciation for the leadership and guidance he provided the organisation during his time as DOM.

Karen's willingness to step into the DOM role on an interim basis (and God's provision of her availability to do so) enabled a degree of continuity at BCWA at a time of significant change and stress thanks, in particular, to COVID-19 and the ongoing challenges arising from the Royal Commission into Institutional Responses to Child Sexual Abuse. It also allowed Council the ability to "take stock" and consider fully the requirements of the role going forward in the context of the society we live in today, our Baptist denomination, and Christianity more generally, in Western Australia.

Most readers of this report will already be familiar, to some extent at least, with the process that was undertaken earlier this year to obtain input from the Western Australia Baptist community. In summary, the process included two surveys (one completed by over 100 pastors and leaders; the other by nearly 150 congregation members) and a variety of online or face-to-face discussion forums. Whilst there were variations, we were satisfied there was a reasonable level of engagement from each gender, ethnic and age group to adequately inform the recruitment process.

Ultimately, besides getting a general "read" on the Western Australia Baptist movement, this process enabled creation of a new and more focussed DOM role description with specific selection criteria. We subsequently advertised the role and, with the assistance of a diverse "Search Team", Council is delighted to have recently been able to present Pastor Victor Owuor to the forthcoming Assembly as the recommended candidate to take on the DOM role.

In the meantime, Council had already been conscious of the relatively low level of pastoral representation on Council, and this was compounded with Mark's departure. It was with great pleasure then that we welcomed Pastor Wayne Field to Council during the year to fill a casual vacancy. There will be a number of new candidates for Council at Assembly this year and I encourage voters to prayerfully consider the best mix of skills, experiences and attributes to represent churches and provide the new DOM with oversight and support.

In August, we updated the church community as to the status of the Redress process as relevant to Baptist churches in WA and related matters. I am happy to say that, since the communication, there has been no further material adverse change to the situation facing BCWA but, as you would be aware, this is likely to be an ongoing issue for some time.

The past year has been a particularly challenging period for Baptist Ministry Centre staff, and I give thanks for their dedication and commitment through this time. In particular, I must give special recognition of the work that Karen Siggins has put in, not just to "fill the gap" left by Mark Wilson's departure but also to drive some deep thinking about where BCWA may want/need to go in the future. In addition to her service as Senior Pastor at Lesmurdie Baptist up until late last year, Karen has made a major contribution to BCWA through her Council membership since 2011, including three years as Council Chair, and now as Director of Ministries for this "transitional" year.

Thanks also to my Council and DOM Search team colleagues who have given their time and expertise freely as well as to all the local churches for all that you do including supporting BCWA financially so that we can continue to support you.



Baptist Churches Western Australia Council



Mr. Martin Alciaturi
Chair

BBS(Eng) Hons; FCA; MAICD.

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

Martin is a non-executive director of, and consultant to, a number of listed natural resources companies.

He was previously Finance Director of a significant resources company and 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 adult children.

Vanessa is a Professor and is the Deputy Pro Vice Chancellor, Faculty of Business and Law at Curtin University. She serves as an external Member on the Australian College of Theology Academic Board. She has also served on the Board of YouthCARE.



Pastor Wayne Field
BTh, MA, GradDipMin

Wayne has served on the BCWA Council since August 2021, filling a casual vacancy.

Wayne is an Accredited Baptist Pastor and over the past twenty-seven years has served churches both in Perth and in regional WA.

After several years overseas, working as the International Training Director with Operation Mobilisation, Wayne returned to Perth with his wife Jodie and their three daughters to Riverton Baptist Community Church where he currently serves as Lead Pastor.



Mr. Jarod Avila
BCom; LLB

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

Jarod also serves on the boards of Baptistcare, the William Kennedy Trust, and its four related foundations.

Beyond his Baptist and community

commitments, Jarod is the General Manager of Digital at HBF. He has over 24 years of experience in banking, insurance, and other industries, is a strong strategic thinker, and leads large teams and technology projects.

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 an adaptable business leader with strong business acumen and strategic insight. Brian works in the resources industry as Manager Marketing & Analysis and has over 18 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.

Interim Director of Ministries

Pastor Karen Siggins



Welcome to the 2021 Annual Report for the Baptist Churches Western Australia.

It is a pleasure to be writing this report as Interim DOM for BCWA. I have appreciated the opportunity to serve the denomination in this capacity and as I have worshipped in many different Baptist churches this year, I have been reminded of the unity we do share in Jesus even as we are very diverse in our local expression of our faith.

You will read about the work of the Baptist Ministry Centre and the wider denomination in the reports to follow. Here I will speak to two significant matters. One is to do with National Redress and the other is some reflections on the new era we are in.

National Redress: In August we sent a document to pastors, leaders and churches with an update on BCWA's engagement with the National Redress Scheme and Civil matters. I refer you to that document and here note that since joining the National Redress Scheme, it has become clear that some people have experienced childhood sexual abuse whilst in the care of ministries of BCWA. BCWA are deeply grieved at the extent and nature of these abuses and for the inaccessibility of appropriate mechanisms for childhood sexual abuse to be reported and responded to.

We are sorry for the suffering that we recognise has impacted people's lives in many ways.

We know that we cannot undo what has been done. We can, have and will continue to take measures to provide a safe place for children and prevent any form of abuse.

While some may debate where responsibility lies in historic matters, we believe that the Kingdom of God, ushered in by Jesus, lays on this and each generation the responsibility to act in such ways that declare the Lord's favour has come (Luke 4: 17-20). In this context it is fitting that this generation responds in ways that acknowledge and support people who have experienced childhood sexual abuse and supports the options available to them.

Reflections: At the risk of overstating the obvious our world is changing rapidly. Of course, this is not unique to our time in history, but experts confirm what most of us know – the speed, size and scope of the change that defines our current times is truly unprecedented! According to the popular catch phrase we are living in a 'liminal season' – a threshold place. For some this is exciting and for others it feels sobering but for all of us it is in fact a familiar enough place – the threshold place between the first and second coming of Jesus.

With that in mind and after a lot of conversation across the denomination we have been able to identify some of the emphases that we will be looking for our new Director of Ministries to work towards with us. In the DOM we are looking for a person who will provide a faith orientation; encouragement; a fresh sense of shared identity and will facilitate strategic conversation.

Some of the emphases mentioned above include

- Our ongoing affirmation that the gospel is good news for all people in every generation and that the Bible is God's story for all times. We believe that God has and will continue to speak through the Bible to humanity in each period in human history and are committed to looking for the contemporary ways and contexts in which God is unfolding His purposes in the world.
- Our identity as people of orthodox faith who also see ourselves as ongoing learners needing the opportunity to explore faith in contexts that are safe, respectful and allow for diversity of views.
- The ongoing significance of the local church as the vehicle of God's mission even in a rapidly changing world. We want to be authentic and collegial communities of a variety of sizes and expressions.
- The diversity of BCWA across regional, remote, cross cultural and city churches. We want to reflect this diversity in access to and allocation of resources, in our leadership and in our collaborative efforts.
- Our identity as Baptists. We want an articulate and practical expression of Baptist Distinctives to be formative for our mission and relationships and to allow for genuine diversity within a united assembly of churches. This will require us to find a core common ground to which we can hold tightly while allowing diversity in the non-essentials.

It is a good time to be alive and I am thankful that we stand at this point in history alongside our good and unchanging God confident that he is still and always engaged in human history according to his good plans.

In concluding I want to say some thank you's. Thank you to the Baptist Assembly Council who have shown wise leadership and faith and who have exercised their considerable skills generously in a demanding time. The Council has taken very seriously their role as a governance and strategy body and have constructively both held the DOM and BMC staff to account and liberated us to our tasks.

A highlight of my time in the role has been working with the staff of the Baptist Ministry Centre. They are committed, hardworking people who serve faithfully in their respective ministries. I thank them for their warm support and patience in the interim setting and commend them to you.

Thanks also go to the pastors, leaders and churches of BCWA. Thank you for all you do faithfully and creatively and patiently in your local communities and across the denomination.

Together we can thank God for each other even as we thank him for his goodness to us.

Church Health and Pastoral Support

Pastor Jackie Smoker

The Church Health and Leader Support Team provides support to churches, their governance teams, pastors and ministry leaders. This includes a diverse range of assistance such as church plants, pastors peer groups, pastor/church reviews and placements, Pastor's Retreat, accreditation, Safe Church, specialised support for Next Gen, Events and Cross-Cultural, as well as Professional Standards, complaints and managing BCWA's participation in the National Redress Scheme.

The 20/21 calendar year started with the easing to Phase 4 restrictions and churches returning to in-person worship under the 2m2 rule. Whilst subsequent requirements such as COVID Safety Plans and mandatory Contact Registers have been required, most churches have been able to continue to meet and minister throughout this unusual season. Throughout that time, the Church Health and Pastoral Support Team sought to provide churches with timely information and guidance to assist churches in very complex and rapidly changing circumstances.

It was a great joy for Pastors and Spouses to gather for the Annual Pastors Retreat in April 2021. 197 pastors, chaplains, ministry staff and spouses shared three days together contemplating 'Craft and Character' and encouraging one another in a difficult and tiring season.

Throughout the year, seven people were accepted as Accreditation Candidates, two people transferred or reinstated their credentials and nine Pastors completing the final steps in the Accreditation process. Supervision arrangements were reviewed, and a Baptist National Standard for Supervision was agreed with input from each of the State Baptist Unions. BCWA are now implementing those standards which are already largely reflected within the current Accreditation framework.

The Safe Church team continued to respond to training needs, with regular 'hybrid' workshops with online training consisting of videos plus a zoom scenario workshop, as well as providing some in-person options. Over 780 people participated in Safe Church training throughout the 20/21 financial year. Additional implementation support was also provided directly to church administrators, as well as specific training for Pastors in the areas of Response.

One of the most challenging areas has been supporting churches, pastors and leadership teams with complaints and conflict, Persons of Concern, and responding to historic matters. This continues to be a complex space to navigate, and BCWA are thankful for the cooperation and involvement of churches, Pastors and ministry leaders. The past few years has stretched the team and resources, particularly as it has needed to assist with an increased demand for response in difficult circumstances: National Redress, COVID-19, Persons of Concern, complaints, conflicts and a number of changes as a result of the recommendations from the Royal Commission into Institutional Responses to Childhood Sexual Abuse.

The Professional Standards team have responded to more than 50 matters in the past 12 months alone. Whilst it has been difficult to be focussed on response, the Church Health and Leader Support Team are glad to have been of assistance and we continue to have a heart to serve the local church, in all circumstance, and hope to see people say 'yes' to Jesus.

The Next Generations and Events continued with their unified theme of "We are in Christ" in 2020 and "Secure through Uncertainty" for 2021. A Next Generations Open Day was held in January 2021, as well as other connecting events providing youth, young adults and their pastors to connect together. Final steps are also



underway for the creation of a national resource initiative: 'Family Faith Rhythms' through Australian Baptist Ministries, as well as contributions made to a new Youth Bible by Bible Society. Whilst a review of Baptist Youth Camps started, it was necessary to place it 'on hold' in October 2020 primarily due to resourcing and the uncertainty of COVID.

Sportsfest 2020 was not able to be run in its usual form, and the Leavers Strategy, overseen by the WA Police Dept, was unclear early in the year. The BCWA contract to deliver the Leaver's Entertainment Zone expired in December 2019, and the WA Police began reviewing the Leavers Strategy in mid-2020. Restrictions in place at that time were placing significant doubt on Leavers being able to proceed, and whilst in September 2020 the WA Police decided to go ahead with the Leavers Zone, BCWA did not believe there was enough lead time to deliver a safe zone and did not submit an offer for the 2020 contract. However, BCWA continued to be part of the Leavers Strategy discussions, and in May 2020 secured a one-year contract to manage and deliver ticket sales for 2021 Leavers. This enables Green Team volunteers to directly engage with Leavers whilst they are purchasing their tickets, including provision of light entertainment as well as efficient ticket sales.

The 20/21 year finished with some staffing changes in the Support area as Ps Mike Bullard concluded his role Pastor and Leader Support Pastor. BCWA are grateful for Mike's ministry over four years and gives thanks to God for Mike's 'partnership in the gospel'.

As we look forward to the coming year, some structural changes are being made with the aim of enabling the Church Health and Leader Support team to be more pro-active in the areas of church planting and revitalisation; discipleship, and the ongoing support of pastors and churches as we discern together where God is leading us.

Finance and Administration

Greg Holland

As part of the Executive team at BCWA, Greg Holland'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 representing BCWA on several Boards and Committees.

The central finance team provides accounting and compliance support through shared services for 55 entities and growing including, BCWA, Vose Training (VET), Camping Centres, Mount Barker CRC, several trusts, related ministry organisations, a Baptist College, churches and church related entities.

Two key areas of involvement and partnership continue to be the provision of insurance and financial services.

Baptist Insurance Services (BIS)

BIS operating as a delegated body of Australian Baptist Ministries, 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.

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 covers/protection and as at 30 June 2021 covers more than 140 Baptist churches and ministries, 3 camping centres, 17 Baptist schools and Baptistcare WA. The property values covered continue to grow, please refer to the table below:



Property – Buildings & Contents	Value 30 June 2021	Value 30 June 2020
Churches and Ministries	\$228,265,071	\$218,465,958
Education	\$362,854,415	\$354,141,716
Care	\$399,844,000	\$398,458,726
Total	\$990,963,486	\$971,066,400

BCWA also facilitates two Workers' Compensation Insurance groups for churches and ministries, and schools, consistently achieving very competitive rates from the insurers due to the size of the groups and typically low claims experience. The arrangement of the Workers' Compensation Insurance groups 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 groups representing over \$81 million in estimated wages, dropping from the previous year due to some schools placing cover elsewhere.

Ministry	Estimated Remuneration for 2021-2022	Estimated Remuneration for 2020-2021
Churches and Ministries	\$23,923,937	\$22,199,247
Education	\$57,343,854	\$78,662,585
Total	\$81,267,791	\$100,861,832

Baptist Financial Services (BFS)

BFS is a specialist financial services provider to the Australian Christian community and offers a range of financial services specifically for churches and ministry. BFS's sole purpose is to resource, develop and enhance Christian ministry.

New client activity has increased steadily over 2020 and approx. 80% of our WA Baptist Churches now 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.

BFS was able to pay \$136,601 (slightly up from 2019), in support of the ministry of Baptist Churches of Western Australia (BCWA), for the last financial year.

In 2020 BFS partnered with McCrindle / City Infield and released the Faith and giving in Australia research report. This research explores the generosity and giving habits of the Australian churchgoer and was presented at last year's AGM.

Although 2020 was difficult to have events. BFS was able to sponsor a few events including BCWA All Together Pastoral Retreat, Sportsfest and the BCWA AGM.

BCWA continues to value the strong partnership with BFS as we serve our churches in WA together. We truly are stronger when we work together.

Campsites and Special Projects

Ross Daniels

Stability and loyalty have been significant characteristics of our camping centre teams and services even in a demanding year as COVID -19 impacted the use of our camping centres significantly.

We have been blessed with some of our Facility managers continuing over 10 years of service. Our staff have served generously so that our facilities have met the needs of our churches and their ministries.

Over Christmas 2020 we saw some significant ministry camps hosted at all three facilities, and we celebrated a few ocean baptisms. Seeing people say yes to Jesus reminds us of the ministry of the camping centres. Easter 2021 saw Lakeside Baptist host a young adults camp open to all churches. It was a very successful event and planning is well under way for Easter 2022.

In the last year the Busselton ablution project was commenced as a long-awaited positive improvement to our facilities. Three years in the planning the upgrade is now a reality. The new facilities boast more showers and toilets than before and a fully compliant disabled bathroom for our camp B. This is the most significant step of faith financially since Serpentine built the gymnasium in 1997.

The Busselton project is an example of the way in which we are working to develop and good standards in hygiene and presentation of buildings and grounds.

Other projects underway include the renovation of two more of the Serpentine campsite bathrooms, an upgrade of the pool at Serpentine to address issues of age and to meet required safety regulations.

Other developments to report include the introduction of Employment Hero a united software system for HR, timesheets, and rostering. The transition for our staff has been interesting, challenging and well accepted.

We look forward to the opportunity to serve in the coming year and hope to see many of our churches at one of the centres where our staff will be happy to serve you.

www.baptistcampingcentres.org



Baptist Churches Western Australia Staff

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

Interim Director of Ministries

Ps. Karen Siggins (PT)

Finance and Administration

Greg Holland (FT)

Alissa Kok (PT)

Barbara Jamieson (PT)

David Field (PT)

Deborah Leung (PT)

Doug Patching (FT)

Grace Merrills (PT)

Joanne Gosen (FT)

Marianne Walker (FT)

Michelle Smoker (FT)

Natalie Coulson (PT)

Natasha Anderson (FT)

Shelley Bartels (PT)

Church Health and Pastoral Support

Ps. Jackie Smoker (FT)

Ps. Victor Owuor (FT)

Ps. Dan McGrechan (PT)

Ps. Ed Devine (PT)

Ben Jefferies (PT)

Gillian Walker (PT)

Kathy Sinclair (PT)

Matthew Chapman (FT)

Nathan Seimeier (FT)

Sandra Iliev (FT)

Sue Ash (PT)

Warren Haley (C)

Voice Training

Dr. Aaron Chidgey (FT)

Bernadette Smith (FT)

Camping Centres

Ross Daniels (FT)

Ben Birch (FT)

Linda Cummins (PT)

Mike Flora (FT)

Murray Smoker (FT)

Naomi Flora (PT)

Casual Staff 30+

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.



For more than 45 years, Baptistcare has been a leading non-profit provider of quality residential aged care, tailored home care and retirement living in both metropolitan and regional Western Australia.

Caring about people has been the one simple principle guiding Baptistcare's strategic decision making over the past 12 months. It drove our response to external challenges and opportunities, and strengthened our commitment to constant improvement.

The health and safety of the people we care for, and our employees and volunteers remained at the heart of our approach to COVID-19. However, like the rest of the country, our focus shifted to ensuring we were lockdown-ready at a moment's notice and getting everyone in the Baptistcare family vaccinated as quickly as possible. Our residents were among some of the first seniors to roll up their sleeves and encourage others to get the jab to protect the Western Australian community.

Despite the resource demands of dealing with COVID-19, Baptistcare's financial performance improved over the year, ending the year with a modest surplus and improving EBITDA.

All our service lines delivered stronger than expected results, particularly Home Care, which saw packages grow by 57 per cent after a carefully planned restructure. Key to this has been the establishment of service hubs which provide a seamless, continuum of care for every individual who commences their aged care journey with Baptistcare.

Placing greater emphasis on relationships has been a significant factor in our organisational evolution and underpins our commitment to improving the human experience of aged care – not only for customers and residents, but their families too.

Understanding what older Australians need and elevating respect, compassion and care standards will be fundamental to the transformation of the aged care sector following the Royal Commission into Aged Care Quality and Safety. It is a once-in-a-generation opportunity to critically examine society's changing aged expectations, and how we maintain a financially sustainable sector. The Federal Government's injection of \$18b worth of desperately needed funding for aged care was welcome news, but the real reform process is just beginning.

Baptistcare has already commenced its own program of progressive change, but we are also working alongside our industry colleagues to ensure a far-reaching, integrated response to delivering a new era of aged care.

As the world continues to navigate COVID-19, we are reminded of the role spirituality plays in all our lives, regardless of our faith or personal convictions. It is why emotional health and wellbeing is part of the care foundation at Baptistcare. Our team of chaplains are always there when customers, residents, employees, and their loved ones need someone to turn to.

For some people it is about participating in spiritual activities such as church services, Bible studies or prayer and reflection. For others, it is seeking help to re-establish connections with families, friends and communities or exploring how to bring more meaning to their daily life. Often it is about having someone to talk to, someone to listen without judgement, and someone to share a cup of tea and a laugh with.

Honouring individual values, traditions and beliefs through counselling, companionship and ritual will always be core to the Baptistcare philosophy.

Morling College | Vose Campus

Rev Dr Michael O'Neil

On January 1st this year Vose Seminary became the Perth (Vose) Campus of Morling College. This decision was the result of decisions made by the Assembly of Churches (in both Western Australia and New South Wales) in the previous two years to explore and then to proceed with the merger of these two institutions—Morling College in Sydney and Vose Seminary in Perth.

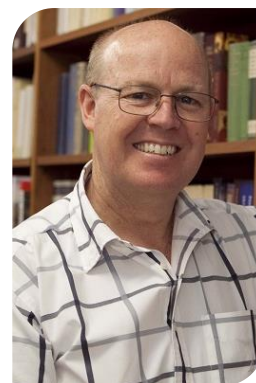
Mergers, whether in churches or in business, can be fraught exercises. This merger, however, has been a story to celebrate. Naturally, staff at Vose felt some apprehension at the prospect of the merger but determined to be active players in the process. To our delight we have discovered that our colleagues in Sydney were gracious and welcoming, eager to hear our story, and as keen to learn from and participate with us as we were with them. There has been a great sense of respect and camaraderie on both sides of the country, as well as a strong sense of shared vision and mission. One sign of the seriousness with which the College Board and Leadership Team view the College as one college with two campuses is seen in the creation of two new national roles earlier this year. The new Chief Administrative Officer and the new Director of Student Services were both appointed from Perth—Kerry Puzey and Andre Kurniawan respectively.

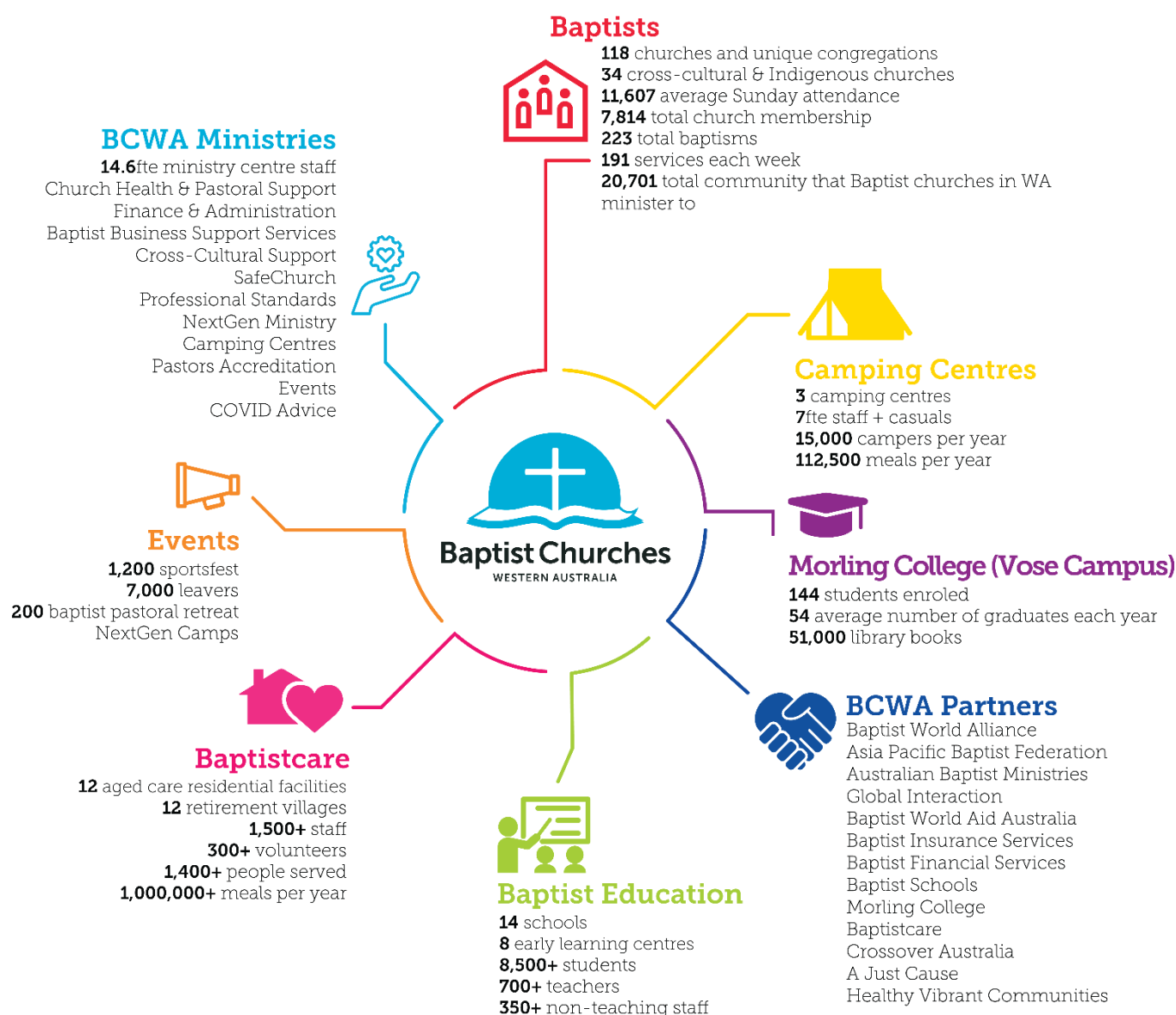
Students, too, have been beneficiaries of this merger. Not only are their unit fees cheaper (!), but students have a much broader range of units that they can take as part of their theological studies, as well as a wider range of lecturing faculty with whom they can interact. Students have greater flexibility with their study options, including live-streamed classes, online learning, recorded lectures, etc. Of course, they can still come to live classes! Further, we have many students enrolling in Perth-based units from Sydney, regional NSW, the ACT, and other places around the country such as Brisbane.

Another benefit for at least some students is a result of the new scholarship programme introduced by Morling College in 2021. Of the 88 scholarships awarded this year, 58 went to students in Sydney, 19 to students in Perth, and 11 to international students. This was a great outcome for local students. The College aims to continue the scholarship programme, though its continuity will depend on the fund being replenished from donations—something we invite you to consider!

We believe that the church and its mission in Western Australia will benefit in additional ways in years to come. We are already in discussion with Sydney colleagues to see the graduate programmes in Counselling and Chaplaincy offered in Perth beginning, we hope, in 2022. We are already offering another new programme—a Graduate Certificate in Pastoral Supervision, for experienced ministers who want to serve their peers in this important role. In future we aim to offer Morling's Education programme to support the mission of Christian schooling in this state.

Morling College is committed to serving the Baptist Churches in Western Australia: we exist to support the work of the churches and the furtherance of Christian ministry and mission here and abroad. We aim to work closely with BCWA to see many more ministers, chaplains, missionaries, church workers, counsellors, youth pastors, and more released into Christian service in our state. And we invite you to partner with us in prayer, and by recommending or even sponsoring potential students to explore the possibility of studying at the Vose Campus of Morling College in Perth.





Baptists

A Snapshot

The Baptist Union of Western Australia Inc. General Purpose Financial Report 2020-21 (Reduced Disclosure)

ABN: 59 739 180 494

COUNCIL'S REPORT FOR THE YEAR ENDED 30 JUNE 2021

FOR THE YEAR ENDED 30 JUNE 2021

Your Council members submit the financial report of the 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) - concluded Feb 21
- Karen Siggins (Director of Ministries) - appointed Feb 21
- Wayne Field - appointed Aug 2021
- Martin Alciaturi (Chair Dec 20) - appointed Oct 2019
- Jarod Avila - appointed Oct 2019
- Brian McDonald - appointed Oct 2019
- Anne Galambosi - appointed Oct 2018
- Vanessa Chang (Vice Chair) - appointed Oct 2014

Principal Activities

The principal activities of the association during the financial year were to provide support to the 118 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.

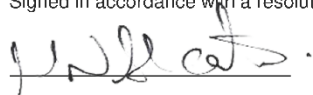
Significant Changes

During the year, Vose Seminary merged with Morling College Ltd, this involved the transfer of Vose Seminary assets held by Baptist Union of Western Australia to Morling. From 1 January 2021 Vose Seminary operates in its newly merged format outside of BUWA.

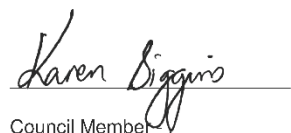
Operating Result

The overall result amounted to a net deficit of \$2,221,378 (2020: deficit \$160,379), comprising a surplus from ordinary activities of \$867,113 and a deficit relating to the transfer of Vose Seminary of \$3,088,491. Please refer to the financial statements for further details.

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



Council Member - Chair



Council Member

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,126,912	3,241,845
Trade and other receivables	4	149,831	440,508
Prepayments		422,199	362,934
TOTAL CURRENT ASSETS		4,698,942	4,045,287
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	207,353	489,815
Land & Buildings	5	7,188,095	11,238,489
Financial Investment	6	2,044,866	1,989,564
Other non-current assets		48,009	257,759
TOTAL NON-CURRENT ASSETS		9,488,323	13,975,627
TOTAL ASSETS		14,187,265	18,020,914
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	327,514	268,728
Provisions	8	2,688,612	3,048,492
Borrowings	9	7,367	7,367
Other current liabilities	10	758,816	808,052
TOTAL CURRENT LIABILITIES		3,782,309	4,132,639
NON-CURRENT LIABILITIES			
Borrowings	9	271,625	220,558
TOTAL NON-CURRENT LIABILITIES		271,625	220,558
TOTAL LIABILITIES		4,053,934	4,353,197
NET ASSETS		10,133,331	13,667,717
EQUITY			
Contributed Equity (Trusts)		305,742	305,742
Opening Balance Equity		7,125,037	7,285,348
Capital Reserve		1,985,301	3,344,693
Reserves		2,938,629	2,892,313
Current Year Earnings		(2,221,378)	(160,379)
TOTAL EQUITY		10,133,331	13,667,717

The accompanying notes form part of these financial statements.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue and other income	2	7,792,965	7,472,982
Cost of good sold		(696,164)	(1,442,524)
Employee benefits expense		(2,856,329)	(3,331,130)
Depreciation and amortisation expenses		(147,403)	(156,433)
Reinsurance premiums		(1,975,365)	(1,603,507)
Borrowing costs expense		(12,821)	(2,333)
Electricity, gas & water		(142,799)	(140,805)
Building maintenance		(272,436)	(224,558)
IT services		(147,798)	(144,675)
Other expenses		(674,737)	(587,396)
Surplus (Loss) from Ordinary Activities		867,113	(160,379)
Other comprehensive income			
Discontinued operation - disposal of Vose Seminary	16	(3,088,491)	-
Transfer from General Reserves		-	-
Transfer to Capital Reserves		-	-
Transfer to Contributed Equity (Trusts)		-	-
Total comprehensive income attributable to the members	11	(2,221,378)	(160,379)

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Contributed Equity (Trusts)	Equity	Capital Reserve	General Reserve	TOTAL
	\$	\$	\$	\$	\$
Balance as at 1 July 2019					
Opening Balance	305,742	7,228,286	4,256,182	3,482,265	15,272,475
Add: Current year Surplus /					
Deficit	-	(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
Balance as at 1 July 2020					
Opening Balance	305,742	7,124,969	3,344,693	2,892,313	13,667,717
Add: Current year Surplus /					
Deficit	-	(2,221,378)		-	(2,221,378)
Add: Transfer / Adjustment	-	68	(1,359,392)	46,316	(1,313,008)
Balance as at 30 June 2020	305,742	4,903,659	1,985,301	2,938,629	10,133,331

The accompanying notes form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from operating activities		8,024,377	7,359,357
Payments to suppliers and employees		<u>(8,287,917)</u>	<u>(7,777,212)</u>
Net cash provided by operating activities	11	<u>(263,540)</u>	<u>(417,855)</u>
Cash flows from investing activities			
Payments for plant and equipment		(3,502)	(201,333)
Payments for building construction and improvements		(352,686)	(322,406)
Proceeds from sale of land and property		<u>1,446,361</u>	<u>-</u>
Net cash provided/(used in) investing activities		<u>1,090,173</u>	<u>(523,739)</u>
Cash flows (used in)/from financing activities			
Proceeds (repayment) from borrowings		<u>58,434</u>	<u>227,925</u>
Net cash (used in)/provided by financing activities		<u>58,434</u>	<u>227,925</u>
Net (decrease)/increase in cash held		885,067	(713,669)
Cash and cash equivalents at beginning of financial year		<u>3,241,845</u>	<u>3,955,514</u>
Cash and cash equivalents at end of financial year	3	<u><u>4,126,912</u></u>	<u><u>3,241,845</u></u>

The accompanying notes form part of these financial statements.

THE 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 2021**

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.

THE 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 2021

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.

THE 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 2021

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 2021. The association's assessment of these new or amended Accounting Standards and Interpretations has determined that there is not a material impact, therefore, no change is necessary to the accounting policies.

THE 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 2021

	2021	2020
	\$	\$
2 Revenue		
Camping fees	1,360,588	1,041,214
Tuition	479,759	1,042,189
Donations	376,271	171,693
Combined ministries givings	615,911	506,099
Property premium income	1,618,553	1,567,859
Worker Compensation Premium Income	372,909	295,428
Rental Income	190,558	287,308
Grants received	177,525	379,638
Delegate fees / registration	50,395	202,824
Sponsorship Income	15,500	620,003
Government Assistance - Covid 19	1,278,803	656,000
Other	1,256,193	702,727
	<u>7,792,965</u>	<u>7,472,982</u>
	-	
3 Cash and cash equivalents		
Cash on hand	795	1,365
Cash at bank	2,324,802	1,802,840
Term deposit	1,801,315	1,437,640
	<u>4,126,912</u>	<u>3,241,845</u>
4 Trade and other receivables		
Accounts receivable	147,140	217,745
Other receivables	2,691	222,763
	<u>149,831</u>	<u>440,508</u>
5 a Property, Plant and Equipment		
Computer equipment at cost	143,923	254,270
Accumulated depreciation	<u>(106,902)</u>	<u>(199,386)</u>
	<u>37,021</u>	<u>54,884</u>
Furniture and fittings	379,972	603,782
Accumulated depreciation	<u>(318,879)</u>	<u>(475,332)</u>
	<u>61,093</u>	<u>128,450</u>
Office equipment	176,059	248,257
Accumulated depreciation	<u>(152,252)</u>	<u>(208,488)</u>
	<u>23,807</u>	<u>39,769</u>
Plant & Equipment	406,759	402,862
Accumulated depreciailton	<u>(357,973)</u>	<u>(350,520)</u>
	<u>48,786</u>	<u>52,342</u>

THE 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 2021

	2021 \$	2020 \$
Motor vehicles	41,111	32,841
Accumulated depreciation	<u>(4,465)</u>	<u>(2,727)</u>
	<u>36,646</u>	<u>30,114</u>
Library books	-	1,495,225
Accumulated depreciation	<u>-</u>	<u>(1,347,230)</u>
	<u>-</u>	<u>147,995</u>
Library journals	-	352,361
Accumulated depreciation	<u>-</u>	<u>(316,100)</u>
	<u>-</u>	<u>36,261</u>
Total property, plant and equipment	<u>207,353</u>	<u>489,815</u>
Land & Buildings - at cost	<u>7,188,095</u>	<u>11,238,489</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		489,815	412,916
Additions / (Disposals)		(135,059)	233,332
Depreciation and amortisation expense		<u>(147,403)</u>	<u>(156,433)</u>
Closing Balance		<u>207,353</u>	<u>489,815</u>
Land & buildings			
Opening Balance		11,238,489	11,067,821
Additions / (Disposals)	16	<u>(4,050,394)</u>	<u>170,668</u>
Closing Balance		<u>7,188,095</u>	<u>11,238,489</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
Shares		8,986	-
William Kennedy Revaluation - June 2021		<u>47,154</u>	<u>838</u>
		<u>2,044,866</u>	<u>1,989,564</u>

THE 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 2021

		2021 \$	2020 \$
7	Trade and other payables		
	Accounts Payable	166,559	9,925
	Accrued Liabilities	160,955	258,803
		<u>327,514</u>	<u>268,728</u>
8	Provisions		
	Current		
	BCWA Redress provision	1,250,000	1,450,000
	Churches Redress provision	15 437,919	424,731
	Annual leave provision	145,642	238,198
	Long service leave provision	855,051	935,563
		<u>2,688,612</u>	<u>3,048,492</u>
	BCWA Redress Provision		
	This provision at 30 June 2020 was \$1.45m and was overdrawn for the year ending 30 June 2021 by \$109,392. The estimate of future liability based on the National Redress Scheme determinations and estimates (ie claims in process), at year end was \$1.25m. We have drawn down on Reserves to the amount of \$1,359,392 to provide for this future liability.		
	Churches Redress Provision		
	The Churches Redress Provision at 30 June 2021 is \$437,919 (LY \$424,731), with only 2 claims from churches to date. Churches have been advised that no contribution to the fund will be required for FY 2021-22.		
	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	7,367
	Non-Current	271,625	220,558
		<u>278,992</u>	<u>227,925</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	486,917	533,617
	Third Party Funds Held in Trust	13,008	12,925
	Other	258,891	261,510
		<u>758,816</u>	<u>808,052</u>

THE 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 2021

	2021	2020
	\$	\$
11 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit or Loss/Result from Ordinary Activities		
Profit after income tax	(2,221,378)	(160,379)
Cash flows excluded from profit attributable to operating activities		
(Gain) Loss on disposal of property, plant and equipment	23,080	-
Non-cash flows in profit:		
Depreciation and amortisation	147,403	156,433
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	290,677	(113,625)
(Decrease)/increase in trade payables and accruals	51,419	33,196
Decrease/(increase) in other operating assets	1,805,139	(397,737)
(Decrease)/increase in provisions	(359,880)	64,257
	<u>(263,540)</u>	<u>(417,855)</u>
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:

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	4,126,912	3,241,846
Trade and other receivables	149,831	440,508
Financial Investments	<u>2,044,866</u>	<u>1,989,564</u>
	6,321,609	5,671,918
Financial Liabilities		
Trade and other payables	<u>327,515</u>	<u>268,728</u>
	327,515	268,728

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.

THE 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 2021**

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.

THE 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.

THE 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 2021

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.

	2021	2020
	\$	\$
Short-term employee benefits:	317,189	327,373

THE 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 2021

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). BUWA is guarantor for the ABBC loans with BFS totalling \$9.13m when fully drawn, currently \$8.7m. Land, buildings and assets are currently valued at \$8.7m, with a new building being completed by November 2021 for \$4.0m. A potential exposure exists if the school defaults on their loan and other arrangements can't be made or school bankruptcy. The College financials are reported to Council each meeting and the College currently is showing strong student growth, with close to 300 students and good forward budget surpluses.

b National Redress Scheme

In addition to the BCWA Redress Provision, which stands at \$1.25m at 30 June 2021, the BUWA has a 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 Morling College and Vose Seminary Merger

Following extensive review and consideration, the BUWA merged Vose Seminary operation with Morling College Ltd (the largest Baptist college in Australia, based in Sydney). In June 2020, 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, this was approved at the BUWA 2020 Assembly. The Asset Sale Agreement was signed on 30 November 2020 with a completion date of 1 February 2021, with 2021 being the first year the college would operate in its newly merged format. The merger involved \$3,088,491 in Net Assets being transferred from the BUWA consolidated entity to Morling College Ltd. The majority of these Net Assets were Leasehold Buildings \$2,888,093.

17 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.

18 Association Details

The registered office of the association is:
Baptist Churches of Western Australia
21 Rowe Avenue, Rivervale WA 6103

**THE 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 2021 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: 19 October 2021

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 2021, 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 2021 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 19th day of October 2021.

Shreeve & Carslake

Shreeve & Carslake
Chartered Accountants

P A Shreeve

PG Shreeve - Partner

At 24 Walters Drive, Herdsman Business Park, WA

This page has been intentionally left blank

This page has been intentionally left blank



Baptist Churches
WESTERN AUSTRALIA

Building healthy churches

21 Rowe Avenue, Rivervale WA 6103
PO Box 57, Burswood WA 6100

Phone: +61 8 6313 6300

Fax: +61 8 9470 1713

Web: www.baptistwa.asn.au