



FAIR WORK
AUSTRALIA

15 February 2010

Mr Mounie Abraham
Finance Manager
Local Government Association of New South Wales
Level 8, 28 Margaret Street
SYDNEY NSW 2000

Dear Mr Abraham,

Re: s269 Certificate of Exemption – for year ending 30 June 2009 (FR2009/10136)

I refer to your application under s269 of the *Fair Work(Registered Organisations) Act 2009* which was received by Fair Work Australia on 8 December 2009.

The application has been granted. My certificate is enclosed.

Yours sincerely,

Barry Jenkins
Delegate of the General Manager
Fair Work Australia



CERTIFICATE

Fair Work (Registered Organisations) Act 2009

s.269 – Reporting units with substantial common membership with State registered bodies

Local Government Association of New South Wales

(FR2009/10136)

BARRY JENKINS

SYDNEY, 15 FEBRUARY 2010

s.269 Certificate

[1] On 8 December 2009 an application was made under section 269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* by the abovenamed organization for a certificate stating that the financial affairs of the organization are encompassed by the financial affairs of the Local Government Association of New South Wales (“the association”), an associated State body, in respect of the financial year ending 30 June 2009.

[2] On 8 December 2009, the organization lodged a copy of the audited accounts of the association with Fair Work Australia.

[3] I am satisfied that the association:

- is registered under the Industrial Relations Act 1996 (NSW), a prescribed State Act;
- is, or purports to be, composed of substantially the same members as the organization;
- has, or purports to have, officers who are substantially the same as designated officers in relation to the organization; and
- is an associated State body.

[4] I am further satisfied that:

- the association has, in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the organization who are not also members of the association have been provided with copies of the accounts at substantially the same time as the members of the organization who are members of the association;
- a report under s254 of the *Fair Work (Registered Organisations) Act 2009* has been prepared in respect of the activities of the organization and has been provided to members of

the organization with copies of the accounts.

[5] I am satisfied that that the financial affairs of the organization in respect of the financial year ending 30 June 2009, are encompassed by the financial affairs of the association and I certify accordingly under s269(2)(a) of the *Fair Work (Registered Organisations) Act 2009*.



DELEGATE OF THE GENERAL MANAGER
FAIR WORK AUSTRALIA

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<Price code A PR993587>

TEECE, Steve

FR 2009 / 10136

From: Mounie Abraham [Mounie.Abraham@lgsa.org.au]
Sent: Tuesday, 8 December 2009 11:18 AM
To: RIA Sydney
Cc: TEECE, Steve
Subject: Application for Exemption - Sec 269 FWRO Act 2009
Attachments: LGA Exemption Application 09.PDF; LGA Financial Statements June 09.PDF; LGA Operating report - 30 June 2009.pdf; LGA Audit Report 09.PDF



Dear Sir / Madam

Please find attached the Local Government Association of NSW application for the above exemption along with the following Documents:

1. Financial statements of the Local Government Association of NSW for the year ended June 2009
2. The Operating Report of the Local Government Association of NSW for the year ended June 2009
3. Audit report of the Local Government Association of NSW for the year ended June 2009

If you require any additional information please feel free to reply by email or call me on the number below.

Yours sincerely

Mounie Abraham
 Finance Manager
 Local Government & Shires Assoc. NSW
 Phone: (02) 9242 4000
 Fax: (02) 9242 4022

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8/12/2009

Local Government
Association of NSW



Shires Association of NSW

8th December, 2009

Mr Steve Teece
Research Information and Advice Team
Level 8, 80 William St.
East Sydney, NSW, 2011

Re: Application for exemption pursuant to section 269 of the Fair Work (Registered Organisation) Act 2009.

I am the Secretary General of the Local Government Association of NSW (Federal Branch) and am authorized by the Branch to make Application for a certificate stating that:-

- (1) The financial affairs of the Federal Branch are encompassed by the financial affairs of the Local Government Association of NSW (State Organisation), an organisation of employers registered under the Industrial Relations Act 1996(NSW), being an associated state body; and
- (2) That the Branch is taken to have satisfied part 3 of the Act.

The grounds and reasons for this application are as follows:

1. The State Organisation is an organisation of employers registered under the Industrial Relations Act 1996(NSW) and is an associated State body to the Branch.
2. The State organization is composed entirely of the same members as the Federal Branch.
3. The officers of the State organization are the same as the officers of the Federal Branch.
4. It is submitted that that the Federal Branch can be taken to have satisfied Part 3 of the Act, because of the following matter:-
 - (i) The State Organisation has in accordance with the State Act, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the NSW Industrial Registry.

- (ii) All members of the State Organisation and the Federal Branch, at substantially the same time, have been provided a copy of the Auditors report, Balance Sheet and Statement of Income and Expenditure and the Operating Report by email to each General Manager
- (iii) A copy of the accounts for the year ending 30 June 2009, the Operating Report and the Audit Report are attached.

The Local Government Association of NSW submits that based on the grounds and reasons stated herein and the supporting documentation, the Federal Branch satisfies s.269 of schedule 1B and consequently seeks relief as sought in this application.

Please note that whilst the accounts until now have been Special Purpose Accounts, acceptable by the NSW Industrial Registry, they will be changed to General Purpose accounts from the 2009/10 financial years. This has been discussed with Mr Barry Jenkins of Fair Work Australia.

If you have any queries with regard to this application please contact Mr Mounie Abraham from this office on 9242 4000.

Yours Sincerely



Bill Gillooly AM
Secretary General
Local Government Association of NSW

Local Government Association of New South Wales

Financial Statements

For the Year Ended 30 June 2009

Local Government Association of New South Wales

For the Year Ended 30 June 2009

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Local Government Association of New South Wales

Statement by the Executive

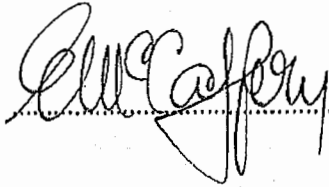
The Executive has determined that the Association is not a reporting entity and that this special purpose financial report that has been prepared to meet the requirements of Industrial Relations Act, 1991 should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the Executive the accompanying financial statements:

- a) comply with Accounting Standards and other mandatory professional reporting requirements as detailed in Note 1 to the financial statements, and the Industrial Relations Act, 1991; and
- b) give a true and fair view of the Association's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

This declaration is made in accordance with a resolution of the Executive of the Local Government Association of New South Wales.

President



Treasurer



Dated this

21

day of

October

2009

Local Government Association of New South Wales

Income Statement

For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	8,656,713	7,539,567
Employee benefit expenses		(4,571,983)	(4,441,259)
Council services		(800,790)	(580,589)
Governance expenses		(749,650)	(763,472)
Administrative expenses		(1,243,301)	(1,169,204)
Grant funded programs		(1,171,975)	(727,475)
Cost contribution		(240,603)	(590,020)
Conference expenses		(475,860)	(454,976)
Decrease in value of investments		(1,163,166)	(928,696)
Other expenses		(4,810)	(1,423)
Share of net profit / (loss) of associates and joint ventures		(145,483)	9,812
Profit before income tax		(1,910,908)	(2,107,735)
Income tax expense			
Profit attributable to members		(1,910,908)	(2,107,735)

Local Government Association of New South Wales

Balance Sheet

As At 30 June 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	406,808	181,423
Trade and other receivables	4	1,180,032	1,561,533
Financial assets	5	13,981,363	15,681,116
Other assets	6	146,290	117,189
Total current assets		15,714,493	17,541,261
Non-current assets			
Trade and other receivables	4	441,865	173,636
Investments accounted for using the equity method	7	-	145,483
Financial assets	5	2,100,000	2,100,000
Property, plant and equipment	8	4,233,748	4,422,439
Intangible assets	9	23,903	25,761
Total non-current assets		6,799,516	6,867,319
TOTAL ASSETS		22,514,009	24,408,580
LIABILITIES			
Current liabilities			
Trade and other payables	10	595,420	594,666
Short-term provisions	11	659,414	652,925
Other Liabilities	12	3,589,080	3,582,664
Total current liabilities		4,843,914	4,830,255
Non-current liabilities			
Other long-term provisions	11	168,861	166,183
Total non-current liabilities		168,861	166,183
TOTAL LIABILITIES		5,012,775	4,996,438
NET ASSETS		17,501,234	19,412,142
EQUITY			
Retained earnings		17,501,234	19,412,142
TOTAL EQUITY		17,501,234	19,412,142

Local Government Association of New South Wales

Statement of Changes In Equity

For the Year Ended 30 June 2009

2009

	Retained Earnings \$	Total \$
Balance at 1 July 2008	19,412,142	19,412,142
Profit attributable to members	(1,910,908)	(1,910,908)
Balance at 30 June 2009	17,501,234	17,501,234

2008

	Retained Earnings \$	Total \$
Balance at 1 July 2007	21,519,877	21,519,877
Profit attributable to members	(2,107,735)	(2,107,735)
Balance at 30 June 2008	19,412,142	19,412,142

Local Government Association of New South Wales

Cash Flow Statement

For the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Cash from operating activities:			
Receipts from customers		9,077,195	7,030,827
Payments to suppliers and employees		(8,770,349)	(7,761,317)
Interest received		210,794	244,958
Net cash provided by (used in) operating activities	14	<u>517,640</u>	<u>(485,532)</u>
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		61,443	84,915
Purchase of property, plant and equipment		(110,700)	(368,414)
Purchase of other non current assets		(27,393)	-
Proceeds from sale of investments		536,587	2,878,686
Loans to related parties		(385,264)	(863,010)
Net cash provided by (used in) investing activities		<u>74,673</u>	<u>1,732,177</u>
Cash flows from financing activities:			
Government grants		(366,928)	(1,606,480)
Net cash provided by (used in) financing activities		<u>(366,928)</u>	<u>(1,606,480)</u>
Net increase (decreases) in cash held		225,385	(359,835)
Cash at beginning of financial year		<u>181,423</u>	<u>541,258</u>
Cash at end of financial year	3	<u>406,808</u>	<u>181,423</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the Industrial Relations Act 1991. The Executive has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Basis of Preparation

The accounts of the Local Government Association of New South Wales ("LGA") represent LGA's equitable interest in the assets, liabilities, income and expenditure of the operations conducted jointly by the LGA and Shires Associations of New South Wales ("SA"). These operations include:

Secretariat

A joint venture agreement dated 26 July 2002 was entered into by LGA and SA to jointly operate a secretariat, Local Government and Shires Associations of New South Wales ("LGSA"), for the purposes of administering the affairs of both Associations. This agreement provides for the assets, liabilities, revenues and expenses of the LGSA, with the exception of the building at 28 Margaret Street, to be allocated on the following basis:

Shires Association of New South Wales	30%
Local Government Association of New South Wales	70%

Buildings

Freehold property at 28 Margaret Street, Sydney is owned equally by LGA and SA.

Local Online Communications and Linkages Ltd

Local Online Communications and Linkages Ltd is a company limited by guarantee incorporated and domiciled in Australia. The principal activities of Local Online Communications and Linkages Ltd during the financial year was the provision of online services to local councils in NSW. The share of profit / (loss) is allocated equally between LGA and SA.

Local Government Procurement Partnership

Local Government Procurement Partnership is a partnership established on 18 November 2005. The partners of Local Government Procurement Partnership are LGP (LGA NSW) Pty Ltd and LGP (SA NSW) Pty Ltd, both companies incorporated and domiciled in Australia. The principal activities of the partnership during the financial year was providing tendering and purchasing service. The revenue and expenses are allocated equally between LGA and SA.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009.

1 Statement of Significant Accounting Policies continued

(a) Basis of Preparation continued

Local Government Procurement Partnership Pty Ltd

Local Government Procurement Partnership Pty Ltd is a proprietorship company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company manages the principal activities of Local Government Procurement Partnership.

LGP (LGA NSW) Pty Ltd

LGP (LGA NSW) Pty Ltd is a proprietorship company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company acts solely as trustee of a LGP (LGA NSW) Trust.

LGP (SA NSW) Pty Ltd

LGP (SA NSW) Pty Ltd is a proprietorship company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company acts solely as trustee of a LGP (SA NSW) Trust.

LGP (LGA NSW) Trust

LGP (LGA NSW) Trust was formed on 8 December 2005. The beneficiary of the Trust is the Local Government Association of New South Wales.

LGP (SA NSW) Trust

LGP (SA NSW) Trust was formed on 8 December 2005. The beneficiary of the Trust is the Shires Association of New South Wales.

(b) Income Tax

The Associations are tax-exempt bodies under Section 50-25 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 less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on annual valuations by external independent valuers, less subsequent depreciation on the depreciable amount.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	2.5%
Furniture, Fixtures and Fittings	10%
Motor Vehicles	18.75%
Office Equipment	20%
Computer Equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(d) Intangible assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(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 short-term borrowings in current liabilities on the balance sheet.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Held-to-maturity investments

These investments have fixed maturities, and it is the Association's intention to hold these investments to maturity. Any held-to-maturity investments held by the Association are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(g) 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, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(h) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 component of investing and financing activities, which are disclosed as operating cash flows.

(j) Recognition of Grants and Other Contributions

Grants and other contributions are recognised as revenue when they have been expended for the purpose for which they were given. Any unexpended amounts are shown as liabilities.

(k) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Association's share of post acquisition reserves of its associates.

(l) Comparative Figures

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

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

	2009	2008
	\$	\$
2 Revenue		
Operating activities		
- Commissions received	1,396,942	1,012,626
- Council services	1,520,465	1,376,905
- Conferences and seminars	717,269	692,306
- Subscriptions	2,736,360	2,532,785
- Interest received	195,473	241,051
- Grant income	2,089,148	1,680,399
- Other revenue	1,056	3,495
	<u>8,656,713</u>	<u>7,539,567</u>
3 Cash and Cash Equivalents		
Cash on hand	700	700
Cash at bank	406,108	180,723
	<u>406,808</u>	<u>181,423</u>
Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>406,808</u>	<u>181,423</u>
	<u>406,808</u>	<u>181,423</u>
4 Trade and Other Receivables		
CURRENT		
Trade receivables	943,816	1,186,428
Loans to other related parties	490	8,520
Interest receivable	4,048	19,369
Receivable from Local Government Procurement Partnership	231,678	347,216
	<u>1,180,032</u>	<u>1,561,533</u>
NON-CURRENT		
Amounts receivable from:		
- Shires Association of New South Wales	441,865	173,636
	<u>441,865</u>	<u>173,636</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

	2009	2008
	\$	\$
5 Financial Assets		
CURRENT		
At fair value through profit and loss		
Investments at fair value with Chifley Financial Services	11,297,442	13,160,608
Investment in associated companies	25	25
Held to maturity investments		
Local Government Financial Services	2,683,896	2,520,483
	<u>13,981,363</u>	<u>15,681,116</u>
NON-CURRENT		
At fair value through profit and loss		
Shares In StateCover Mutual Limited	2,100,000	2,100,000
	<u>2,100,000</u>	<u>2,100,000</u>
6 Other Assets		
CURRENT		
Prepayments	146,290	117,189
	<u>146,290</u>	<u>117,189</u>
7 Investments Accounted for Using the Equity Method		
Local Online Communications and Linkages Ltd	-	145,483
	<u>-</u>	<u>145,483</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

	2009 \$	2008 \$
8 Property Plant and Equipment		
LAND AND BUILDINGS		
Land		
At cost	518,819	518,819
Total land	518,819	518,819
Buildings		
At cost	3,290,560	3,290,560
Less accumulated depreciation	(164,175)	(94,881)
Total buildings	3,126,385	3,195,679
Total land and buildings	3,645,204	3,714,498
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	119,445	97,757
Less accumulated depreciation	(48,216)	(21,768)
Total plant and equipment	71,229	75,989
Furniture, fixture and fittings		
At cost	419,075	419,320
Less accumulated depreciation	(174,948)	(133,302)
Total furniture, fixture and fittings	244,127	286,018
Motor vehicles		
At cost	104,794	149,559
Less accumulated depreciation	(36,814)	(32,687)
Total motor vehicles	67,980	116,872
Office equipment		
At cost	542,889	494,300
Less accumulated depreciation	(454,162)	(399,420)
Total office equipment	88,727	94,880
Painting and artworks		
At cost	2,730	6,516
Total painting and artworks	2,730	6,516
Leasehold improvements		
At cost	139,149	139,149
Less accumulated depreciation	(25,398)	(11,483)
Total leasehold improvements	113,751	127,666
Total plant and equipment	588,544	707,941
Total property, plant and equipment	4,233,748	4,422,439

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

8 Property Plant and Equipment continued

Movements in Carrying Amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Painting and Artworks	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Year									
Balance at the beginning of year	518,819	3,195,679	75,989	286,018	116,872	94,880	6,516	127,666	4,422,439
Additions	-	-	22,819	490	28,296	59,095	-	-	110,700
Disposals	-	-	-	(404)	(56,908)	(8,941)	-	-	(66,253)
Depreciation expense	-	(69,294)	(27,579)	(41,977)	(20,280)	(56,307)	(3,786)	(13,915)	(233,138)
Carrying amount at the end of year	518,819	3,126,385	71,229	244,127	67,980	88,727	2,730	113,751	4,233,748
Prior Year									
Balance at the beginning of year	518,819	3,252,004	55,677	287,138	175,275	105,660	6,516	-	4,401,089
Additions	-	33,496	39,640	44,619	55,865	49,098	-	145,696	368,414
Disposals	-	-	-	-	(80,524)	(1,551)	-	(6,515)	(88,590)
Transfers	-	5,060	-	(5,060)	-	-	-	-	-
Depreciation expense	-	(94,881)	(19,328)	(40,679)	(33,744)	(58,327)	-	(11,515)	(258,474)
Carrying amount at the end of year	518,819	3,195,679	75,989	286,018	116,872	94,880	6,516	127,666	4,422,439

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

	2009	2008
	\$	\$
9 Intangible Assets		
Website and software development		
Cost	94,116	66,521
Accumulated amortisation and impairment	(70,213)	(40,760)
Net carrying value	<u>23,903</u>	<u>25,761</u>
10 Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Trade payables	595,420	594,666
	<u>595,420</u>	<u>594,666</u>
11 Provisions		
CURRENT		
Employee entitlements	659,414	652,925
	<u>659,414</u>	<u>652,925</u>
NON-CURRENT		
Employee benefits	168,861	166,183
	<u>168,861</u>	<u>166,183</u>
12 Other Liabilities		
CURRENT		
Legal assistance funds held	7,982	271,984
Scholarship funds held	325,201	310,447
Unspent government grants	2,624,617	2,742,297
Other deferred income	631,280	257,936
	<u>3,589,080</u>	<u>3,582,664</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

13 Financial Instruments

Financial instrument composition and maturity analysis

The Association's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	0.85	4.75	406,808	181,423	-	-	406,808	181,423
Receivables	-	-	-	-	947,864	1,205,797	947,864	1,205,797
Investments	3.23	7.41	2,683,896	2,520,483	13,397,467	15,260,633	16,081,363	17,781,116
Receivable from related parties	-	-	-	-	674,033	529,372	674,033	529,372
Total Financial Assets			3,090,704	2,701,906	15,019,364	16,995,802	18,110,068	19,697,708
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	595,420	594,666	595,420	594,666
Total Financial Liabilities			-	-	595,420	594,666	595,420	594,666

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2009

	2009	2008
	\$	\$
14 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net income/loss for the period	(1,910,908)	(2,107,735)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation and amortisation	262,389	280,464
Loss on disposal of property, plant and equipment	4,810	3,675
Cost contribution	240,603	590,020
Unrealised (gains)/losses on investments	1,163,166	928,696
Share of associated companies net profit	145,483	(9,812)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and term receivables	257,933	159,688
(Increase)/decrease in prepayments	(29,101)	4,218
Increase/(decrease) in trade payables and accruals	754	23,929
Increase/(decrease) in deferred income	373,344	(423,470)
Increase/(decrease) in provisions	9,167	64,795
	<u>517,640</u>	<u>(485,532)</u>

15 Executive Remuneration

(a) President - Local Government Association of New South Wales

Honorary	<u>93,850</u>	<u>89,819</u>
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The president is reimbursed for travel, accommodation and related expenses incurred on the Association's business.

(b) Executive Council - Local Government Association of New South Wales

Reimbursement of expenses incurred in attending Executive Council and Committee meetings is payable in accordance with the policy determined by the Executive.

An amount per day covering all expenses is payable to Executive members. For country members an overnight rate may be claimed. The overnight rate is payable only when members are required to stay the night before or after a meeting.

16 Association Details

The principal place of business is:

28 Margaret Street
Sydney NSW 2000

The Local Government Association of NSW

Operating Report

For the Year End 30 June 2009

The Executive Committee presents their Operating Report on the Local Government Association of NSW for the year ended 30th June 2009.

Executive Committee

The Local Government Association of NSW Executive Committee is made up of the following members, with all representatives being from a Local Government Area.

Office Bearers

- Cr Genia McCaffery (NORTH SYDNEY) President
- Cr Alan Ezzy (HOLROYD) Vice President Metro
- Cr Kevin Schreiber (SUTHERLAND) Treasurer
- Cr Jan Barham (BYRON SHIRE) Vice President General
- Cr Rod Towney (DUBBO) Vice President Country

Metro

- Cr Vince Badalati (HURSTVILLE)
- Cr Julie Hegarty (PITTWATER)
- Cr Paul Hawker (CAMPBELLTOWN)
- Cr Jai Rowell (CAMPBELLTOWN)
- Cr David Shoebridge (WOOLLAHRA)
- Cr Leo Kelly OAM (BLACKTOWN)
- Cr Kate Lamb (WILLOUGHBY)
- Cr John McInerney (SYDNEY)
- Cr Frank Oliveri (FAIRFIELD)
- Cr Mark Coure (KOGARAH)

Country

- Cr Allan Smith (DUBBO)
- Cr Ben Shields (DUBBO)
- Cr Greg Matthews (DUBBO)
- Cr Alice Glachan (ALBURY)
- Cr Gareth Ward (SHOALHAVEN)
- Cr Daniel Myles (BLUE MOUNTAINS)
- Cr James Ryan (CESSNOCK)
- Cr Keith Rhoades (COFFS HARBOUR)
- Cr Leigh Vaughan (GREAT LAKES)
- Cr Tracey Carpenter (BATHURST)

Principal Activities

During the year, the Local Government Association continued its principal activities in

- Representing and lobbying on behalf of Local Government
- Providing advice, research and advocacy to our members in the areas of policy and, workplace relations

- Providing training and professional opportunities to our members

Review of Principal Activities

The Local Government Association of NSW reported a net deficit of \$1,910,908 (2008: deficit of \$2,107,735) for the year ended 30th June 2009.

Income during the year was \$8,656,753 (2008: \$7,539,567) an increase of 14.8% , however due to losses in the value of investments, costs in 2009 of \$10,567,621 were above the 2008 (\$9,647,302) by 9.5%

Number of Recorded Members

Our members to 30 June 2009, numbered 74 Councils, 3 County Councils, and 12 Associate members.

Number of Employees

The Association has 57 employees.

Rights of members to resign

In accordance with section 174 of the R O Act, a member may resign from membership of the organization by written notice addressed to the Secretary General.

Details of Trustees of Superannuation Entities

Cr Leo Kelly OAM is a Chairman / director of the Local Government Superannuation Scheme.

AUDITOR'S REPORT*

[The provisions of section 514 of the *Industrial Relations Act 1991* apply as regulations under section 282(3) of the *Industrial Relations Act 1996*]

I report that I have inspected and audited the accounting records of

THE LOCAL GOVERNMENT ASSOCIATION OF NSW
(insert name of State organisation)

in relation to the financial year of the organisation ended 30 JUNE 2009 and report that in my opinion satisfactory accounting records were kept by the organisation in relation to the year, including:

- (a) (i) records of the sources and nature of the income of the organisation (including income from members); and
- (ii) records of the nature and purposes of the expenditure of the organisation;

in my opinion the accounts and other statements prepared under section 510 of the *Industrial Relations Act 1991* in relation to the year were properly drawn up so as to give a true and fair view of:

- (b) (i) the financial affairs of the organisation as at the end of the year; and
- (ii) the income and expenditure, and any surplus or deficit, of the organisation for the year; and
- (c) (i) all information, being information which was reasonably wanted for the purpose of this audit, which was required and sought by me or by any person authorised by me for the purpose of the audit, was provided.

I also understand that to the extent that there was any deficiency, failure or shortcoming in relation to the matters referred to above, I must report particulars and that those particulars, if any, which form part of this report, are attached.

Please note: Section 514(5) of the 1991 Act provides that if:

- (a) an auditor, in the course of performing duties as auditor of an organisation, becomes aware that there has been a breach of this Act; and
- (b) the auditor is of the opinion that the matter cannot be adequately dealt with by comment in a report,

the auditor must immediately report the matter, in writing, to the Industrial Registrar.

Name and address of Auditor XAVIER UGARTE, LVL 5, 1 CHARLEY SQ., SYDNEY
Signature of Auditor [Signature] Date 21 October 2009

*Section 513 (2) of the *Industrial Relations Act 1991* requires that the position of auditor of an organisation must be held by:

- (a) a person who is a registered company auditor; or
- (b) a firm at least one of whose members is a registered company auditor.



Fair Work Australia

11 August 2009

Mr William Gillooly
Secretary General
Local Government Association of New South Wales
Level 8,
28 Margaret Street
SYDNEY NSW 2000

Dear Mr Gillooly,

**Lodgement of Financial Documents for year ended 30 June 2009 [FR2009/10136]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Local Government Association of New South Wales (the "reporting unit") has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit's financial documents. The full financial report must be lodged with Fair Work Australia within a period of 5 months and 14 days or 6 months and 14 days, depending on your rules, of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our new Fair Work Australia website. You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#).

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at RIASydney@fwa.gov.au. Alternatively, you can forward the documents by fax to (02) 9380 6990.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (02) 8374 6615 or by email at RIASydney@fwa.gov.au.

Yours sincerely,

Steve Teece
Research Information and Advice Team
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)

Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /
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(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.

Present full report to:	/ /
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report in the Industrial Registry, together with the #Designated Officer's certificate** - s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate - s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 - dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.