



FAIR WORK
AUSTRALIA

16 November 2011

Mr Bill Gillooly AM
Secretary General
Local Government Association of New South Wales
GPO BOX 7003
Sydney NSW 2001

Dear Mr Gillooly,

**Re: s269 Certificate of Exemption – Local Government Association of New South Wales -
for year ending 30 June 2011 (FR2011/2783)**

I refer to your application under s269 of the *Fair Work (Registered Organisations) Act 2009* (the Act) which was received by Fair Work Australia on 7 November 2011.

The application has been granted. The Delegate's certificate is enclosed. However I draw your attention to the omission of a date and signature on the Operating Report prepared under s254 of the Act and included in the application:

Section 254 does not explicitly provide that the operating report must be signed and dated, but the requirement that it should be is arguably implicit in section 254(3) which provides as follows: "*To avoid doubt, the operating report may be prepared by the committee of management or a designated officer*".

Operating reports lodged with applications under s269 should in future be signed and dated by the person(s) preparing the report.

Yours sincerely,

David Vale
Manager, Organisations Research and Advice - NSW
Fair Work Australia



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

(FR2011/2783)

T. NASSIOS

MELBOURNE, 16 NOVEMBER 2011

s.269 Certificate

- [1] On 7 November 2011 an application was made under section 269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the Local Government Association of New South Wales (the organisation) for a certificate stating that the financial affairs of the organisation 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 2011.
- [2] On 7 November 2011, the organisation also 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 organisation;
 - has, or purports to have, officers who are substantially the same as designated officers in relation to the organisation; 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 organisation 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 organisation who are members of the association;
 - the association has, in accordance with prescribed State legislation, prepared a report under s254 of the Act which contains all the information prescribed in the regulations.

[5] I am satisfied that the financial affairs of the organisation in respect of the financial year ending 30 June 2011, are encompassed by the financial affairs of the association and I certify accordingly under s269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER
FAIR WORK AUSTRALIA

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Local Government
Association of NSW



Shires Association of NSW

25th October, 2011

Mr Stephen Kellet
Statutory Services Branch- Fair Work Australia
Terrace Towers,
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 2011, 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.

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 2011

Local Government Association of New South Wales

For the Year Ended 30 June 2011

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Hill Rogers
Spencer Steer

Local Government Association of New South Wales

Independent Audit Report to the Members of Local Government Association of New South Wales

Report on the Financial Report

We have audited the accompanying financial report of Local Government Association of New South Wales (the association), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Executive.

Executives' Responsibility for the Financial Report

The Executive of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Industrial Relations Act 1991. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Assurance Partners

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Local Government Association of New South Wales

Independent Audit Report to the Members of Local Government Association of New South Wales

Auditor's Opinion

In our opinion the financial report of Local Government Association of New South Wales is in accordance with the Industrial Relations Act 1991, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2011 and of its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Industrial Relations Act 1991.

HILL ROGERS SPENCER STEER

ASSURANCE PARTNERS

Chartered Accountants



XAVIER M UGARTE

Partner

Dated this 7th day of October 2011

Local Government Association of New South Wales

Statement by the Executive

In the opinion of the Executive the financial report as set out on pages 4 to 19:

1. Presents a true and fair view of the financial position of Local Government Association of New South Wales as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Local Government Association of New South Wales will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive of Local Government Association of New South Wales and is signed for and on behalf of the committee by:

President 

Treasurer 

Dated this 7 day of October 2011

Notice to Members

Subsections (1) and (2) of section 512 of the Industrial Relations Act 1991, preserved as regulations under section 282(3) Industrial Relations Act 1996, provide that:

s.512. (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation. [Industrial Relations Regulation 1992, clause 60]

(2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

Local Government Association of New South Wales

Statement of Comprehensive Income

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	9,854,904	9,720,066
Employee benefits expense		(4,597,016)	(4,376,199)
Council services		(688,770)	(605,224)
Governance expenses		(842,573)	(726,751)
Administrative expenses		(1,142,231)	(1,130,800)
Grant funded programs		(1,565,366)	(1,144,994)
Conference expenses		(594,063)	(552,099)
Other expenses		(35,604)	(59,239)
Profit before income tax		389,281	1,124,760
Income tax expense		-	-
Profit for the year		389,281	1,124,760
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		389,281	1,124,760

Local Government Association of New South Wales

Statement of Financial Position

As At 30 June 2011

	Note	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	1,549,898	680,588
Trade and other receivables	4	1,168,382	733,442
Financial assets	5	13,478,914	14,515,583
Other assets	6	215,835	193,133
Total current assets		16,413,029	16,122,746
Non-current assets			
Trade and other receivables	4	445,906	496,797
Financial assets	5	3,500,000	2,100,000
Property, plant and equipment	7	3,868,254	4,029,682
Intangible assets	8	280,339	106,060
Total non-current assets		8,094,499	6,732,539
TOTAL ASSETS		24,507,528	22,855,285
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,131,585	663,909
Short-term provisions	10	678,790	674,339
Other financial liabilities	11	3,439,910	2,664,180
Total current liabilities		5,250,285	4,002,428
Non-current liabilities			
Other long-term provisions	10	241,968	226,863
Total non-current liabilities		241,968	226,863
TOTAL LIABILITIES		5,492,253	4,229,291
NET ASSETS		19,015,275	18,625,994
EQUITY			
Retained earnings		19,015,275	18,625,994
TOTAL EQUITY		19,015,275	18,625,994

Local Government Association of New South Wales

Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2010	18,625,994	18,625,994
Profit attributable to members	389,281	389,281
Other comprehensive income for the year	-	-
Balance at 30 June 2011	19,015,275	19,015,275

2010

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2009	17,501,234	17,501,234
Profit attributable to members	1,124,760	1,124,760
Other comprehensive income for the year	-	-
Balance at 30 June 2010	18,625,994	18,625,994

Local Government Association of New South Wales

Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,450,097	8,680,067
Payments to suppliers and employees		(8,680,327)	(8,167,973)
Interest received		441,831	153,026
Net cash provided by (used in) operating activities	13	<u>211,601</u>	<u>665,120</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non current assets		24,801	26,086
Net movement in investments		(73,245)	660,996
Purchase of property, plant and equipment		(178,605)	(127,208)
Purchase of other non current assets		(179,813)	(109,729)
Net movement in loans with related entities		376,308	126,871
Net cash provided by (used in) investing activities		<u>(30,554)</u>	<u>577,016</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grants		<u>688,263</u>	<u>(968,356)</u>
Net cash provided by (used in) financing activities		<u>688,263</u>	<u>(968,356)</u>
Net increase (decrease) in cash held		869,310	273,780
Cash and cash equivalents at beginning of financial year		<u>680,588</u>	<u>406,808</u>
Cash and cash equivalents at end of financial year	3	<u><u>1,549,898</u></u>	<u><u>680,588</u></u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Industrial Relations Act 1991.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(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 and associated costs at 28 Margaret Street and Local Government Procurement Partnership, 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 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 2011

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 periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

1 Statement of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Property 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

Website and software 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.

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

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 statement of comprehensive income 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 statement of comprehensive income.

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 2011

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 statement of financial position 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 2011

	2011	2010
	\$	\$
2 Revenue		
Operating activities		
- commissions received	1,223,851	1,056,134
- council services	1,424,245	1,369,093
- conferences and seminars	803,685	763,832
- subscriptions	3,268,532	3,169,908
- interest received	446,459	156,442
- distributions and increase in value of investments	290,086	1,195,216
- grants income	2,101,327	1,876,921
- cost contribution income	290,381	124,259
- other revenue	6,338	8,261
	<u>9,854,904</u>	<u>9,720,066</u>
3 Cash and Cash Equivalents		
Cash on hand	700	700
Cash at bank	1,550,159	679,888
Bank overdraft	(961)	-
	<u>1,549,898</u>	<u>680,588</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 statement of financial position as follows:		
Cash and cash equivalents	1,549,898	680,588
	<u>1,549,898</u>	<u>680,588</u>
4 Trade and Other Receivables		
CURRENT		
Trade receivables	1,016,702	551,354
Loans to other related parties	490	490
Interest receivable	12,092	7,464
Receivable from Local Government Procurement Partnership	139,098	174,134
	<u>1,168,382</u>	<u>733,442</u>
NON-CURRENT		
Amounts receivable from:		
- Shires Association of New South Wales	445,906	496,797
	<u>445,906</u>	<u>496,797</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
5 Financial Assets		
CURRENT		
At fair value through profit and loss		
Investments at fair value with Chifley Financial Services	-	12,492,658
Investment in associated companies	25	25
Term deposits with:		
Suncorp Bank	4,227,362	-
Commonwealth Bank of Australia	1,958,755	2,022,900
ING Direct	3,500,000	-
Bank of Queensland	2,392,772	-
CitiBank	1,400,000	-
	<u>13,478,914</u>	<u>14,515,583</u>
NON-CURRENT		
Term deposits with:		
ING Direct	1,400,000	-
At fair value through profit and loss		
Shares in StateCover Mutual Limited	2,100,000	2,100,000
	<u>3,500,000</u>	<u>2,100,000</u>
6 Other Assets		
CURRENT		
Prepayments	215,835	193,133
	<u>215,835</u>	<u>193,133</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
7 Property Plant and Equipment		
LAND AND BUILDINGS		
Land		
At cost	518,819	518,819
Total land	<u>518,819</u>	<u>518,819</u>
Buildings		
At cost	3,296,677	3,296,677
Less accumulated depreciation	(333,486)	(248,719)
Total buildings	<u>2,963,191</u>	<u>3,047,958</u>
Total land and buildings	<u>3,482,010</u>	<u>3,566,777</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	129,146	120,542
Less accumulated depreciation	(129,146)	(76,241)
Total plant and equipment	<u>-</u>	<u>44,301</u>
Furniture, fixture and fittings		
At cost	419,517	419,517
Less accumulated depreciation	(258,729)	(216,777)
Total furniture, fixture and fittings	<u>160,788</u>	<u>202,740</u>
Motor vehicles		
At cost	88,414	100,642
Less accumulated depreciation	(18,351)	(26,150)
Total motor vehicles	<u>70,063</u>	<u>74,492</u>
Office equipment		
At cost	481,414	530,383
Less accumulated depreciation	(398,302)	(442,231)
Total office equipment	<u>83,112</u>	<u>88,152</u>
Painting and artworks		
At cost	2,730	2,730
Total painting and artworks	<u>2,730</u>	<u>2,730</u>
Leasehold improvements		
At cost	74,927	69,593
Less accumulated depreciation	(5,376)	(19,103)
Total leasehold improvements	<u>69,551</u>	<u>50,490</u>
Total plant and equipment	<u>386,244</u>	<u>462,905</u>
Total property, plant and equipment	<u>3,868,254</u>	<u>4,029,682</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

7 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	Improvements	Leasehold Improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Year									
Balance at the beginning of year	518,819	3,047,958	44,301	202,740	74,492	88,152	2,730	50,490	4,029,682
Additions	-	-	9,328	-	40,423	53,926	-	74,928	178,605
Disposals	-	-	(528)	-	(23,730)	(405)	-	(37,738)	(62,401)
Depreciation expense	-	(84,767)	(53,101)	(41,952)	(21,122)	(58,561)	-	(18,129)	(277,632)
Carrying amount at the end of year	518,819	2,963,191	-	160,788	70,063	83,112	2,730	69,551	3,868,254
Prior Year									
Balance at the beginning of year	518,819	3,126,385	71,229	244,127	67,980	88,727	2,730	113,751	4,233,748
Additions	-	6,117	2,752	617	47,991	69,731	-	-	127,208
Disposals	-	-	-	(95)	(21,742)	(541)	-	(50,452)	(72,830)
Depreciation expense	-	(84,544)	(29,680)	(41,909)	(19,737)	(69,765)	-	(12,809)	(258,444)
Carrying amount at the end of year	518,819	3,047,958	44,301	202,740	74,492	88,152	2,730	50,490	4,029,682

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
8 Intangible Assets		
Website and software development		
Cost	356,062	176,250
Accumulated amortisation and impairment	<u>(75,723)</u>	<u>(70,190)</u>
Net carrying value	<u>280,339</u>	<u>106,060</u>
9 Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Trade and other payables	1,131,585	663,909
	<u>1,131,585</u>	<u>663,909</u>
10 Provisions		
CURRENT		
Employee entitlements	678,790	674,339
	<u>678,790</u>	<u>674,339</u>
NON-CURRENT		
Employee entitlements	241,968	226,863
	<u>241,968</u>	<u>226,863</u>
11 Other Liabilities		
CURRENT		
Legal-assistance-funds-held	9,649	14,008
Scholarship funds held	352,825	336,993
Unspent government grants	2,315,233	1,638,443
Other deferred income	762,203	674,736
	<u>3,439,910</u>	<u>2,664,180</u>

Local Government Association of New South Wales

Notes to the Financial Statements

For the Year Ended 30 June 2011

12 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	
	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	2.54	2.86	1,549,898	680,588	-	-	1,549,898	680,588
Receivables	-	-	-	-	1,028,794	558,818	1,028,794	558,818
Investments	6.24	5.00	14,878,889	2,022,900	2,100,025	14,592,683	16,978,914	16,615,583
Receivable from related parties	-	-	-	-	585,494	671,421	585,494	671,421
Total Financial Assets			16,428,787	2,703,488	3,714,313	15,822,922	20,143,100	18,526,410
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	1,131,585	663,909	1,131,585	663,909
Total Financial Liabilities			-	-	1,131,585	663,909	1,131,585	663,909

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 statement of financial position 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 2011

	2011	2010
	\$	\$
13 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit for the year	389,281	1,124,760
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation and amortisation	283,166	273,521
Loss on disposal of property, plant and equipment	37,600	59,239
Cost contribution (income)/expense	(290,381)	(124,259)
Unrealised (gains)/losses on investments	(290,086)	(1,195,216)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	(469,976)	389,046
(Increase)/decrease in prepayments	(22,702)	(46,843)
Increase/(decrease) in trade payables and accruals	467,676	68,489
Increase/(decrease) in deferred income	87,467	43,456
Increase/(decrease) in provisions	19,556	72,927
	<u>211,601</u>	<u>665,120</u>

14 Executive Remuneration

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

Honarium	99,144	95,036
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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.

15 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 2011

The Executive Committee presents their Operating Report on the Local Government Association of NSW for the year ended 30th June 2011.

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 Keith Rhoades (COFFS HARBOUR) President
- Cr Genia McCaffery (NORTH SYDNEY) Immediate Past President
- Cr Alan Ezzy (HOLROYD) Vice President Metro
- Cr Kevin Schreiber (SUTHERLAND) Treasurer
- Cr Allan Smith (DUBBO) Vice President Country

Metro

- Cr Julie Hegarty (PITTWATER)
- Cr Paul Hawker (CAMPBELLTOWN)
- Cr Fiona Byrne (MARRICKVILLE)
- Cr Leo Kelly OAM (BLACKTOWN)
- Cr Kate Lamb (WILLOUGHBY)
- Cr John McInerney (SYDNEY)
- Cr Karen McKeown (PENRITH)
- Cr Mark Coure (KOGARAH)

Country

- Cr Rod Towney (DUBBO)
- Cr Ben Shields (DUBBO)
- Cr Greg Matthews (DUBBO)
- Cr Alice Glachan (ALBURY)
- Cr Gareth Ward (SHOALHAVEN)
- Cr James Ryan (CESSNOCK)
- 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 surplus of \$389,281 (2010: \$1,124,760) for the year ended 30th June 2011.

Income during the year was \$9,854,904 (2010: \$9,720,066) an increase of 1.4% , whilst costs in 2011 of \$9,465,623 were greater than the costs in 2010 (\$8,595,306) by 10.1% due to higher expenditure in Grant funded programs.

Number of Recorded Members

Our members at 30 June 2011, numbered 74 Councils, 3 County Councils, and 12 Associate members.

Number of Employees

The Association has 53 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 2011* 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 M LEGARTE
LEVELS, 1 CHIFLEY SQUARE
SYDNEY, NSW 2000

Signature of Auditor



Date

7/10/11

*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

19 July 2011

Mr William Gillooly
Secretary General
Local Government Association of New South Wales
GPO Box 7003
SYDNEY NSW 2001



Dear Mr Gillooly,

Re: Lodgement of Financial Statements and Accounts – Local Government Association of New South Wales - for year ending 30 June 2011 (FR2011/2783)

The financial year of the organisation ended on 30 June 2011. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report*; (ii) A *Committee of Management statement* (iii) An *operating report*; (iv) An *auditor's report*; and (v) A *certificate* in accordance with section 268.

I draw your particular attention to

(a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;

(b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and

(c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee of management).

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Terrace Towers
80 William Street
East Sydney NSW 2011

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Facsimile: (02) 9380 6990
Email: sydney@fwa.gov.au