



Local Government Managers Australia New South Wales



**Annual Report
2007-2008**



The Local Government Managers Australia (LGMA) NSW is the peak body for local government professionals and managers. It seeks to ensure the organisation and its members are industry leaders and are at the forefront of good practice, change, innovation and the continuous improvement of local government.

The goal of the Association is to provide advocacy, leadership, learning and support for members. It represents and supports professional practice by upholding a code of ethics and assists its members with a range of products and services.

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Governance

LGMA NSW is a company limited by guarantee and is an independent body representing some 600 members in New South Wales.

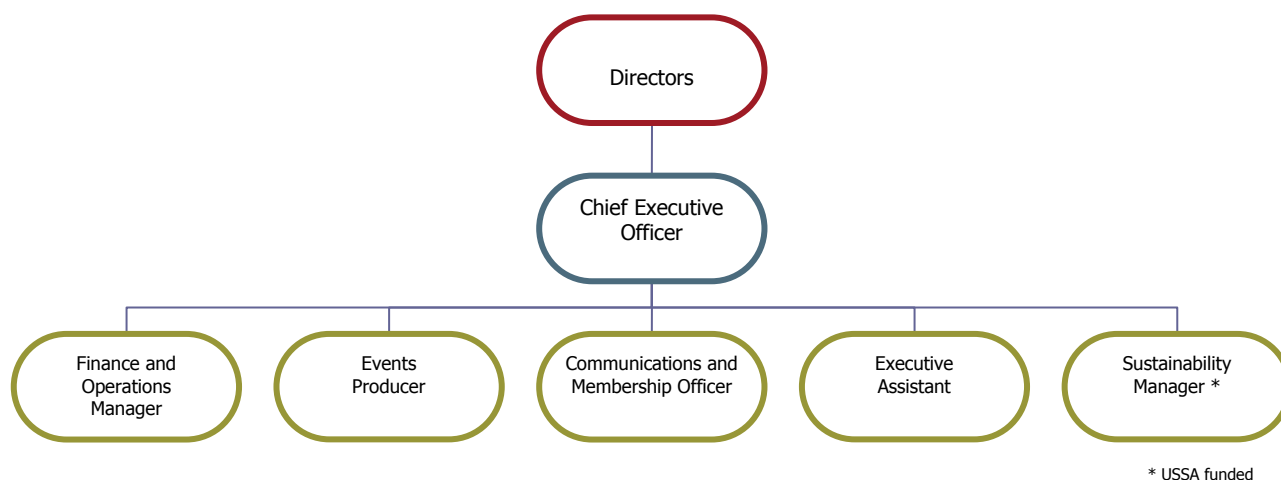
The LGMA NSW Board of Directors is accountable to the Local Government Managers Australia (NSW) as a whole for the business of the Association. The President, Vice President and eight Directors are all elected by the membership on a two yearly basis, with nominations closing prior to the applicable year's Annual General Meeting. Elections are held in the following month by postal ballot. The retiring President acts as Immediate Past President for a period of 12 months from the date he/she hands over the Presidency.

LGMA NSW is part of a federation making up the national organisation: Local Government Managers Australia. The LGMA NSW Board of Directors has two representatives on the National Council of LGMA - these representatives are usually the President and Vice President.

LGMA NSW operates nine regional networks throughout NSW and seven special interest groups (SIGs). This enables the Association to broaden the professional development and networking opportunities for LGMA NSW members and SIG participants, and provides a rich, accessible pool of expertise and capital to ensure that LGMA NSW is the industry leader.

Organisational Chart

This chart represents the Association's structure during the 2007-2008 reporting period



Statement of Legal Form

LGMA NSW is a public company limited by guarantee, incorporated as a not-for-profit organisation. The Directors are appointed according to the Constitution.

All directors have a two-year term. The powers and responsibilities of the Board of Directors are detailed in the Constitution.



Directors of LGMA NSW

Penny Holloway
President



Michael Milston
Vice President



Paul Bennett
Director



John Burgess
Director



Lia Chinnery
Director



Mark Ferguson
Director



Gary Mottau
Director



Greg Murdoch
Director



Andrew Roach
Director



David Tuxford
Director





**President's Report
Penny Holloway**

In approaching the end of my Presidency of LGMA NSW, it is with pleasure that I report to you on the LGMA NSW Directors' activities over the last twelve months. As the NSW Association that represents the local government profession, we serve the interests of members, act and speak with a single voice on advancing the needs of the sector.

It has been a busy and challenging year for LGMA NSW. The Association has had a complete turnover in staff including the Chief Executive Officer, Amanda Spalding who left in March 2008.

In March 2008, Juleen McTaggart commenced as the Chief Executive Officer of LGMA NSW. LGMA NSW has retained its position and reputation as the leading peak body for local government professionals with the Directors and staff continuing the development of the sector and delivery of services to members. LGMA NSW has faced new challenges and opportunities. This has ensured that we continue to grow in strength and vitality with this year being no exception. Together, the ten Directors and the LGMA NSW staff have worked hard to ensure we are a cohesive, strong and highly respected local government profession.

During the year, after extensive consultation with the LGMA NSW membership, the Directors adopted a ten year strategic plan with a related one year business plan. The Directors and staff have worked towards achieving the outcomes of the business plan in the key areas of industry leadership, policy and advocacy, programs, membership services, events and professional development.

Over the year, the efforts of the LGMA NSW committees, regional networks and special interest groups (SIGs) in supporting members and local government professionals have provided our Association with great ideas, initiatives and a willingness to make a contribution. As a member-driven not-for-profit organisation, we continually strive to provide improved services to our members. Member's benefits include a range of events, seminars and conferences, the Sustainability Health Check, Governance Health Check, Financial Health Check, Good Practice Toolkit (GPT) modules, international exchange programs, governance practices, delivery of public policy submissions and representation to key ministers, government departments and committees.

In March 2008, the LGMA NSW Directors decided not to pursue the Ballgown Business arrangement between LGMA NSW and BusinessAnalytics Australia, therefore no separate business entity was formed.

This year, there was a leadership workshop with the LGMA NSW Directors, SIGs, networks and committees to canvass opportunities for sharing information, working more closely together and expanding their knowledge of the mechanics of LGMA NSW. It was also an opportunity to enhance knowledge and skills – including governance and legal obligations and the roles and responsibilities of LGMA NSW Directors and Officers.

LGMA NSW's relationship with key stakeholders has grown and consolidated with a range of private sector firms and government ministers and departments including, through the development of partnerships and MOUs, submission writing and representation on advisory committees and at meetings.

Our Chief Executive Officer, Juleen McTaggart has been instrumental in taking our professional Association forward. On behalf of the Board and the Association as a whole, I would like to thank her and the LGMA NSW staff for their enthusiasm and contribution. The team at the LGMA NSW Office have worked under difficult circumstances to deliver great achievements for members and our sector.

I wish to acknowledge the invaluable contributions of the very hard working Directors, my fellow Executive committee members - Michael Milston and Andrew Roach and the committees, regional networks and SIG chairs – who continue to advance the local government profession.

The LGMA NSW Directors have governed the Association well and added considerable value to addressing strategic matters through their individual perspectives and expertise. The achievements this year are a testament to the strategic guidance of the Directors.

Finally, I would like to thank you, the members, who contribute in various ways to ensure we are a cohesive, strong and highly respected local government profession.



Chief Executive Officer's Report Juleen McTaggart

It is with great pleasure that I present to the LGMA NSW members, the 2007/08 LGMA NSW Annual Report. It is a report that heralds our triumphs and details a wide range of activities that the Association has been involved in over the last 12 months. LGMA NSW has had a sound financial year enabling the Directors and staff a greater level of resource flexibility to focus the Association's direction for the years to come. The LGMA NSW Office has had a busy and productive year.

LGMA NSW has had a number of key achievements.

Policy and Advocacy Representation

LGMA NSW has lifted its profile in public policy representation and development. We have met with the NSW Ministers for Local Government, Planning and Water. A key policy objective has been the promotion of women in local government through LGMA NSW's Action Plan. LGMA NSW has been very active in policy development throughout the year with submissions made to all reviews relating to the sector.

LGMA NSW's responses and representation to various public policy issues has allowed us to represent our members on a broader range of issues affecting the local government sector. LGMA NSW has a primary role in public policy development and having sound public policies is essential to enhancing our efficiency and effectiveness in dealing with ministers and government departments. This provides the backbone of our Association to remain the credible source of information and expertise on the NSW local government profession. Water reform, planning reform, financial sustainability, integrated planning, women in local government profession, environmental reform, reporting and asset management have all featured this year as major policy areas for LGMA NSW.

Programs

Sustainability Health Check (SHC)

This year, LGMA NSW introduced the Sustainability Health Check as a service to local councils across NSW. SHC is a management and strategic tool that can assist local councils with their performance by integrating sustainability and reporting. The SHC is managed by LGMA NSW's Sustainability Manager, Hazel Storey.

Good Practice Toolkit

The development of the Good Practice Toolkit has continued with workforce planning and information management modules launched in late 2007. LGMA members and local government professionals from a wide range of councils have provided valuable input to the development of modules to date.

International Exchange Programs

As a member benefit, LGMA NSW has two international exchange programs per year - one to California, USA and the other to New Zealand. LGMA NSW members have the unique opportunity to participate in both international exchange programs. LGMA NSW's Exchange Committee (IEC) selects candidates and offers strategic direction and advice on the exchange programs.

Events and Professional Development

LGMA NSW has continued to develop local government professionals through the provision of major quality events, conferences and forums - including the NSW Annual Conference, Executive Leaders Forum, the General Managers Forums, Women in Local Government Forums, Aspiring Leaders Conference and LGMA Forum. Through the organisation of and participation in a range of high level events and professional development opportunities (including regional networks and SIG events), we have presented LGMA NSW as the peak body and professional association for the NSW local government sector.

Membership Services

LGMA NSW has added value to members by improving the communications systems through the e-newsletter, sector publications, the website, electronic reports and submissions. Each year at our Annual Conference, we celebrate and encourage local government excellence at the LGMA NSW Excellence Awards.

We look forward to the continued support of the Association's members and for us to extend and strengthen our service to you, the members.

I would like to sincerely thank all of our sponsors and partners, especially our corporate sponsor - the Local Government Superannuation Scheme (LGSS).

Lastly, I would like to say a special thank you to the LGMA NSW Directors for their hard work, commitment and dedication to governing our Association.



LGMA NSW Committees

Events and Professional Development Committee

One of the objectives of the LGMA is to anticipate the professional needs and aspirations of LGMA members and the future requirements of the local government industry generally through Professional Development (PD) Programs, which are valued, recognised and demanded.

A number of events and PD programs have happened this year. These programs included: the Annual Conference, which was held in September 2007 at Star City; the NSW LG Finance Professionals Conference, which was held in May 2008 at Wollongong; the LGMA NSW Forum, which was held in June 2008 at Star City; the Aspiring Leaders Forum; Women in Local Government Forums; Executive Leaders Forum; General Managers Forums; regional networks and special interest group events as well as a number of training programs. All events, including the training programs, were well attended and were in line with budget expectations.

The Events and PD Committee always welcomes ideas from all members and non-members and welcomes feedback through our evaluation surveys. All comments are reviewed and suggestions are taken on board by the LGMA NSW to ensure that all future events cater for the majority.

2007 – 2008 Committee Members

Chairperson

David Tuxford – Liverpool City Council

Committee Members

Craig Bennett – Cessnock City Council
Paul Bennett – Narromine Shire Council
James Brown – Wyong Shire Council
John Burgess – Auburn Council
Lia Chinnery – Rockdale City Council
Trish Hilkmann – Newcastle City Council
Linda Kirkwood – Coffs Harbour City Council
Greg Murdoch – Murray Shire Council
Andrew Roach – Blayney Shire Council

Membership Committee

The key outcomes of the Membership Committee include increasing and broadening the membership base, including growth in the representation and profile of women, younger members, rural members and cultural diversity; developing and maintaining member “value added” services and products, including mentoring and General Manager Peer support panel; facilitating effective, credible and supported membership networks and communication, particularly regional networks and special interest groups; ensuring recognition and awards for members who have made a significant contribution to local government and promotion of local government and LGMA NSW through the international exchange program.

The committee has remained extremely active over the past year taking on a number of projects relating to membership profiles, communication, member recruitment, website upgrade, membership kit redevelopment, establishment of new SIGs and a focus on delivering tangible benefits for members at a reduced fee.

2007 – 2008 Committee Members

Chairperson

Paul Bennett – Narromine Shire Council

Committee Members

Lia Chinnery – Rockdale City Council
Greg Doyle – Wollongong City Council
Graeme Fleming – Cabonne Council
Trish Hilkmann – Newcastle City Council
Greg Murdoch – Murray Shire Council
Jeff Sowiak – Cootamundra Shire Council
David Tuxford – Liverpool City Council

Policy and Advocacy Committee

The objectives of the Policy and Advocacy Committee are to strengthen the LGMA NSW’s responsiveness to emerging issues and representation as an industry leader; build its store of intellectual capital and intellectual property through its involvement of LGMA NSW regional and professional networks in policy development and identify suitable partners to collaborate in research and policy development on issues of common concern.

During the year the Committee finalised responses to the following: Planning Reform legislation, Integrated Planning Reporting and Asset Management, Water and Sewerage Supply Review, Local Government Private Partnerships and IPART’s review into Local Government Revenue Framework. Our papers have attempted to focus on local government strengths and opportunities for the industry to achieve worthwhile reform. The Committee has also participated in the continued implementation of the Sustainability Health Check, Good Practice Toolkit and the LGMA Business Plan. Much of the work for the submissions is prepared by the staff at LGMA NSW head office, with valued input by members.

2007 – 2008 Committee Members

Chairperson

Mark Ferguson – Pittwater Council

Committee Members

Kim Anson – Waverley Council
Warwick Bennett – Mid-Western Regional Council
Stephen Blackadder – Consultant
John Burgess – Auburn Council
Michael Coulter – Nambucca Shire Council
Penny Holloway – North Sydney Council
Kerry Hunt – Wollongong City Council
Terry Kiss – Coolamon Shire Council
Steve McGrath – Singleton Council
Michael Milston – Orange City Council
Gary Mottau – Warringah Council
Greg Murdoch – Murray Shire Council
Phil Pinyon – Blue Mountains City Council
Greg Smith – Rockdale City Council



Regional Networks and Special Interest Groups



Greater Hunter Region

The Greater Hunter Network exists to enhance the professional development and knowledge of LGMA NSW members in the Greater Hunter area and to provide a forum for local government professionals to network and learn from each other.

Two meetings were held this financial year, the first was about community planning and the second was about the changing relationship between councils and communities.

2007 – 2008 Executive

Chairperson

Jan Lean – Newcastle City Council

Mid North Coast Region

The Mid North Coast and North Coast Network mutually share information and hold combined forums each year based around professional development opportunities and topical local government industry issues.

The Mid North Coast and North Coast Network held one Forum during the year. The Forum was held in February 2008 in conjunction with the LGMA NSW Young Professionals SIG. The Forum featured keynote speakers on a number of topics and was well attended.

2007 – 2008 Executive

Chairperson

Steve Embry – Great Lakes Council

Secretary

Neil Porter – Port Macquarie-Hastings Council

Mitchell Region

The Mitchell Network's primary focus is on holding high-quality one-day professional development seminars and networking opportunities within the region.

During 2007/08, the Network held two very successful one-day seminars – one at Blue Mountains City Council in November 2007 and the other in Orange in June 2008.

2007 – 2008 Executive

Chairperson

Clare Phelan – Mid-Western Regional Council

Secretary

Chris Hannus – Orange City Council

North West Region

The key areas considered by this Network during the year were skills shortage – especially professionally qualified staff; superannuation; investment strategies and portfolio management; water and sewerage reforms and asset management.

As in previous years a highly successful social golf afternoon was held following the Network's meeting in Gunnedah. This meeting provided members with a casual forum to discuss both the professional and personal issues confronting them.

2007 – 2008 Executive

Chairperson

Ken Beattie – Inverell Shire Council

Executive Members

Steve Bartlett – Tamworth City Council

Paul Pay – Inverell Shire Council

Northern Rivers Region

The Northern Rivers Network exists to promote the values, mission and goal of LGMA NSW through regional forums and network activities.

The Network combined with the Mid North Coast Network and the Young Professionals SIG to hold a very successful forum in Coffs Harbour in February 2008. The interactive Forum, covered issues including best practice audits, review of planning, climate change, and featured refreshing sessions from young professionals on local government as a career path and future expectations.

2007 – 2008 Executive

Chairperson

Ian Preston – Clarence Valley Council

Secretary

Neil Baldwin – Tweed Shire Council



Orana Region

The Network joined with the Mitchell Network for a meeting in June 2008 with a good number of members participating.

2007—2008 Executive

Chairperson

Paul Mann – Gilgandra Shire

Riverina Region

This Network exists to enhance the professional development and knowledge of LGMA NSW members in the Riverina. The Network has held three successful meetings during the year and participation numbers have increased. An extremely successful joint forum with Riverina Eastern Regional Organisation of Councils was held and addressed planning reform issues.

The Network gave feedback to the LGMA NSW Office and Directors on the LGMA NSW Strategic Plan.

2007 – 2008 Executive

Chairperson

Jeff Sowiak – Cootamundra Shire Council

Deputy Chairperson

Peter Kozlowski – Carrathool Shire Council

Secretary

Andrew Crakanthorp – Wagga Wagga City Council

Southern Region

The Southern Region Network held two meetings during the year. The first was held in Canberra in November 2007. The second meeting was held in Goulburn in February 2008.

As it can often be difficult for regional network meetings to attract guest speakers there has been more emphasis at the recent meetings on using local expertise to provide presentations. This has worked well and has been successful to the Region.

2007 – 2008 Executive

Chairperson

Jim Styles – Goulburn Mulwaree Council

Sydney Region

The Sydney Region Network exists to enhance the professional development and knowledge of LGMA NSW members in the Sydney Region.

The Network held four successful meetings during the year, including a meeting in February with over 60 participants in attendance to hear Jean Kitson speak.

2007 – 2008 Executive

Chairperson

Ian Naylor - Lane Cove Municipal Council

Deputy Chairperson

Rob Peno – Marrickville Council

Treasurer

Stewart Bates – Council of the Shire of Baulkham Hills

Secretary

Lia Chinnery – Canterbury City Council

Executive Members

Michael Azzi – Rockdale City Council

Lisa Giacomelli – Parramatta City Council

Erica Goodsir - Pittwater Council

John Hilton – retired member

Penny Holloway – North Sydney Council

Merv Ismay – Holroyd City Council

Vesna Kerstev – Liverpool City Council

Debbie Killian – Blacktown City Council

Marcia Waller – Willoughby City Council

Corporate Planning

The local government Corporate Planning SIG promotes information sharing and local government excellence in a wide area of interest based on strategic and management planning and reporting, organisational performance, sustainability, outcomes management, community engagement and consultation.

Three meetings were held with a central focus on contributing to the DLG's Integrated Planning and Reporting reforms. Many other topics provided lively and contemporary views and examples on the various aspects of corporate planning.

2007 - 2008 Executive

Chairperson

Ross Kingsley - Penrith City Council

Secretary

Helen Cooper - Penrith City Council

Executive Members

Warren Ambrose – North Sydney Council

Geoff Barnden – Bankstown City Council

Susan Christie - Eurobodalla Shire Council

Floey Matir - Rockdale City Council

Julie Williams - Hornsby Shire Council

Finance Professionals

The SIG aims to support, promote and develop local government finance professionals and promote the professional image and recognition of finance professionals in the industry.

Last year's conference was a great success. There were many quality presentations that tackled the theme including the former NSW premier, the Hon. Bob Carr.

2007 – 2008 Executive

Chairperson

Gary Mottau – Warringah Council

Vice Chairperson

Tim Butler – Holroyd City Council

Secretary

Jane Redden – Narromine Shire Council
(resigned Oct 07)

Secretary

Aaron Jones – Blayney Shire Council
(since Oct 07)

Publicity Officer

Wayne Rogers – Blacktown City Council

Conference Co-ordinator

David Tuxford – Liverpool City Council

Executive Members

Michael Chorlton – Tweed Shire Council

Brian Jenkins – Wollongong City Council

Rob Peno – Marrickville City Council

Craig Richardson – Wagga Wagga City Council

Governance

This SIG exists to discuss governance issues, solve issues, promote professional development and knowledge of network members and encourage the sharing of information within the Network.

Over the past year the SIG has had the Model Documentation endorsed by the DLG on access to information and is currently reviewing the LGMA NSW Governance Health Check.

2007 – 2008 Executive

Chairperson

Ian Naylor – Lane Cove Municipal Council

Deputy Chair / Secretary

Todd Hopwood – Sutherland Shire Council

Executive Members

Phil Brennan – Great Lakes Council

Tony Cartwright – Camden Council

Lia Chinnery – Canterbury City Council

Craig Dali – Blacktown City Council

Kath Roach – Sinc Solutions

Fausto Sut – Hawkesbury City Council

Petra Tinker – Fairfield City Council

Human Resource Professionals

The purpose of this group is to actively engage in the debate of human resource issues, to stimulate discussion, generate new ideas and drive change through channelling opinions and advice to appropriate bodies, developing professional standards and guidelines and providing networking and knowledge-sharing opportunities.

HR Professionals SIG has sourced a number of worthy speakers to stimulate the HR professional development.

2007 – 2008 Executive

Chairperson

Erica Goodsir – Pittwater Council

Deputy Chair – Metropolitan

Helen Connell – Holroyd City Council

Deputy Chair – Rural

Linda Kirkwood – Coffs Harbour City Council

Secretary

Beki Boulet – Mosman Council

Treasurer

Vikki Lee – Liverpool City Council

IT Professionals

The SIG continues to provide a forum for peer support and the sharing of ideas, challenges and solutions for local government IT professionals across NSW.

In May 2008 we held our two day regional meeting at Wagga Wagga. This is the fourth time we have held such an event and once again it was strongly supported by members and participants.

2007 – 2008 Executive

Chairperson

Chris Gardner – Penrith City Council

Vice Chairperson

Kerry Hyland – Camden Council

Secretary

Fran Varrica – Warringah Council

Promotion

Mark Cleland – Blacktown City Council

Young Professionals

Through an organised professional network for Young Professionals in local government (YPinLG), this SIG encourages diversity within the sector as well as providing an opportunity for young professionals to discuss, debate, and progress points of interest. We also aim to establish mentoring programs for young professionals and provide an opportunity for general managers and other senior professionals to share their knowledge and experience.

Over the past 12 months, the group has formed and run a very successful conference in Wollongong. We are 'around' the table with many groups and are using this contact as a catalyst to make a difference within the industry which we work. The group presented a paper at the last LGMA NSW Annual Conference.

2007 – 2008 Executive

Chairperson

Jason Gordon – Coffs Harbour City Council

Executive Members

Craig Bennett – Cessnock Council

Danielle Dickson – Wyong Council

Greg Doyle – Wollongong City Council

Lisa Giacomelli – Parramatta City Council

Adam Gray – Camden Council

Kerry Hunt – Wollongong City Council

Andrew Moore – Penrith City Council

Ian Naylor – Lane Cove Council

Clare Phelan – Midwestern Council

Matthew Sykes – Coffs Harbour City Council

Toby Vero – Muswellbrook Shire Council



Financials



Directors' Report

The LGMA NSW Directors present the report on the Company for the financial year ended 30 June 2008.

Directors

The names of the Directors in office at any time during the period 1 July 2007 to 30 June 2008 are:

Penelope Jane Holloway
Michael Grouse Milston
Paul Anthony Bennett
Edward John Burgess
Lia Mari Chinnery
Mark James Ferguson
Gary Mottau
Gregory John Murdoch
David Joseph Tuxford
Andrew Blair Roach

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Company Secretary

AE Spalding since 19 March 2007. Ceased on 19 March 2008.
J McTaggart since 19 March 2008.

Principal Activities

The principal activities of the Company are detailed elsewhere in this Annual Report.

Review and Results of Operations

The net surplus from operating activities of the Company, including regional networks and special interest groups (SIGs), for the financial year was \$53,957.

Significant Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company during the financial year.

No matters or circumstances have arisen since 30 June 2008 that has significantly affected or may significantly affect:

- The operations of the Company in future financial years
- The results of those operations in future financial years
- The state of affairs of the Company in future financial years

Likely Developments

The Company will continue to pursue its goals and objectives as detailed in the adopted Business Plan.

Environmental Issues

The Company's operations are not regulated by any significant law of the Commonwealth or the State or Territory relating to the environment.

Indemnification and Insurance of Officers and Auditors

The Company has not during or since the last financial year, in respect of any person who is or has been an officer or a director of the Company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings.

Since the end of the previous financial year the Company has paid insurance premiums in respect of Directors' and Officers' Liability for any past, present or future director, secretary, executive or employee of Local Government Managers Australia (NSW). The insurance premiums relate to:

"Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal, and whatever their outcome; and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage."

The premiums were paid in respect of the following officers of the Association:

PJ Holloway, MG Milston, PA Bennett, EJ Burgess, LM Chinnery, MJ Ferguson, GF Mottau, GJ Murdoch, AB Roach, DJ Tuxford, AE Spalding, J McTaggart.

Directors Interests and Benefits

No director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company, controlled entity or a related body corporate with the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the notes to the financial statements, prepared in accordance with the Corporations Act 2001, or the fixed salary of a full time employee of the Company, controlled entity or related body corporate.

Since the end of the previous financial year no director or their related parties has received any benefits relating to their position with the Company and no disclosures are therefore made.



Information on Directors

Director	Experience
PJ Holloway MLGMA	President of LGMA NSW since 2006; Director since September 2002; General Manager, North Sydney Council; holds a Bachelor of Arts (Hons); Bachelor of Social Work; Graduate Diploma in Public Policy and Masters in Urban Planning; member of the LGMA NSW Executive Committee; member of the LGMA NSW Policy and Advocacy Committee; previously Convenor of the LGMA NSW Policy and Programs Committee; previously Convenor of the LGMA NSW Sydney Region
MG Milston FLGMA	Vice President LGMA NSW; Director since September 2002; Director Human Services, Orange City Council; holds a Bachelor of Economics (Hons); Diploma of Education; Master of Business Administration and is a qualified Local Government Clerk; member of the LGMA NSW Executive Committee; member of the LGMA Policy and Advocacy Committee; previously Convenor of the LGMA NSW Learning and Professional Development Committee; previously Convenor of the LGMA NSW Forum; previously President and Secretary of LGMA NSW Mitchell Region
PA Bennett FLGMA	Director since October 2004; General Manager, Narromine Shire Council; holds a bachelor of Financial Administration (Accounting); Chairperson of the LGMA NSW Membership Committee; member of the LGMA NSW Events and Professional Development Committee; previously Secretary of the LGMA NSW Orana Region; previously Secretary of the LGMA NSW Local Government Finance Professionals Special Interest Group
EJ Burgess FLGMA	Director since September 1998; General Manager, Auburn Council; holds a Graduate and Masters Degree; member of the LGMA NSW Events and Professional Development Committee; member of the LGMA NSW Policy and Advocacy Committee
LM Chinnery MLGMA	Director since October 2006; Information and Research Officer, Rockdale City Council; holds a Bachelor of Arts (Library & Information Science); is an Associate of the Australian Library & Information Association (ALIA); Secretary of the LGMA NSW Sydney Region; Executive member of LGMA NSW Governance Special Interest Group; member of the LGMA NSW Events and Professional Development Committee; member of the LGMA NSW Membership Committee
MJ Ferguson MLGMA	Director since October 2006; General Manager, Pittwater Council; is an Executive MBA; holds a Business Degree with specialisations in Economics and Local Government; holds an Associate Diploma in Local Government Administration; Chairperson of the LGMA NSW Policy and Advocacy Committee
G Mottau MLGMA	Director since September 2002; Chief Finance and Information Officer, Warringah Council; is a Chartered Accountant – Fellow; holds a Bachelor of Business (Accounting); Certificated Local Government Auditor; Chairperson of the LGMA NSW Local Government Finance Professionals Special Interest Group; member of the LGMA NSW Policy and Advocacy Committee
GJ Murdoch FLGMA	Director since October 2004; General Manger, Murray Shire Council; holds a Bachelor of Business (Local Government), Master of Business (Public Sector Management); Member Murray Regional Development Board; Chairperson for the LGMA NSW Annual Conference; member of the LGMA NSW Events and Professional Development Committee; member of the LGMA NSW Policy and Advocacy Committee; member Local Government Ministerial Advisory Council
AB Roach MLGMA	Director since October 2006; General Manager, Blayney Shire Council; holds a Bachelor of Business (Accounting); member of the LGMA NSW Events and Professional Development Committee; previously Deputy Chairperson and Executive member of the LGMA NSW Local Government Finance Professionals Special Interest Group; previously Secretary of the LGMA NSW Mitchell Region
DJ Tuxford FLGMA	Director since October 2004; Director City Services, Liverpool City Council; holds an Associate Diploma in Business; Graduate Certificate in Local Government Management; is an Associate CPA Australia; Executive member and Conference Coordinator of the LGMA NSW Local Government Finance Professionals Special Interest Group; Chairperson of the LGMA Events and Professional Development Committee and LGMA NSW Forum; member of the LGMA NSW Membership Committee



Meetings of Directors

During the financial year 5 meetings of Directors were held. Attendances were:

	Directors' Meetings	
	Number eligible to attend	Number attended
Penelope Holloway	5	5
Michael Milston	5	5
Paul Bennett	5	5
John Burgess	5	5
Lia Chinnery	5	4
Mark Ferguson	5	4
Gary Mottau	5	4
Greg Murdoch	5	4
Andrew Roach	5	5
David Tuxford	5	4

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 as required under Section 307C of the Corporations Act has been received and a copy is included in the directors' report.

Dated at Sydney, 5 September 2008

Signed in accordance with a resolution of the Board of Directors

PJ Holloway
President

MG Milston
Vice President



**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE LOCAL GOVERNMENT MANAGERS AUSTRALIA, NSW DIVISION**

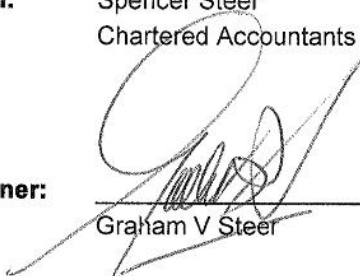
We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2008 there have been no:

contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Spencer Steer
Chartered Accountants

Name of Partner: _____


Graham V Steer

Address: Level 9, 60-70 Elizabeth Street SYDNEY NSW 2000

Dated at Sydney this 8th day of September 2008



**Income Statement
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
Revenue	2	2,024,760	1,950,172
Professional Development Expenses		(1,197,786)	(1,149,125)
Administrative Expenses		(122,002)	(71,730)
Personnel Expenses	3	(419,020)	(363,181)
Depreciation Expenses		(11,429)	(13,208)
Occupancy and Office Expenses		(118,632)	(104,953)
Membership and Sundry Expenses		(77,486)	(57,662)
Operating Profit/(Loss) Before Financing Costs		<u>78,405</u>	<u>190,315</u>
Net Financing Costs		(24,448)	(14,909)
Profit Before Income Tax		<u>53,957</u>	<u>175,405</u>
Income Tax Expense	5	-	-
Net Profit After Tax		<u>53,957</u>	<u>174,405</u>

The accompanying notes form part of these financial statements



**Balance Sheet
as at 30 June 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	6	503,406	414,497
Trade and other receivables	7	<u>250,856</u>	<u>210,640</u>
TOTAL CURRENT ASSETS		<u>754,262</u>	<u>625,137</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>618,861</u>	<u>630,290</u>
TOTAL NON-CURRENT ASSETS		<u>618,861</u>	<u>630,290</u>
TOTAL ASSETS		<u>1,373,123</u>	<u>1,255,427</u>
CURRENT LIABILITIES			
Trade and other payables	9	169,479	74,397
Financial liabilities	10	19,092	18,492
Provisions	11	32,510	14,997
Other current liabilities	12	<u>53,001</u>	<u>92,183</u>
TOTAL CURRENT LIABILITIES		<u>274,082</u>	<u>200,069</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	<u>263,957</u>	<u>274,231</u>
TOTAL NON-CURRENT LIABILITIES		<u>263,957</u>	<u>274,231</u>
TOTAL LIABILITIES		<u>538,039</u>	<u>474,300</u>
NET ASSETS		<u>835,084</u>	<u>781,127</u>
EQUITY			
Retained earnings	13	<u>835,084</u>	<u>781,127</u>
TOTAL EQUITY		<u>835,084</u>	<u>781,127</u>

The accompanying notes form part of these financial statements



**Statement of Changes in Equity
for the Year Ended 30 June 2008**

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2006	605,722	605,722
Profit for the year	175,405	175,405
Balance at 30 June 2007	<u>781,127</u>	<u>781,127</u>
Balance at 1 July 2007	781,127	781,127
Profit for the year	53,957	53,957
Balance at 30 June 2008	<u>835,084</u>	<u>835,084</u>

The accompanying notes form part of these financial statements



**Cash Flow Statement
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts in the course of operations		2,070,884	1,965,355
Payments to suppliers and employees		(1,991,133)	(2,018,037)
Interest received		44,922	23,317
Finance Costs		(24,448)	(14,909)
Income tax paid		(1,642)	-
<i>Net cash provided by (used in) operating activities</i>	18	<u>98,583</u>	<u>(38,274)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	396,021
Payment for property, plant and equipment		-	(633,827)
<i>Net cash provided by (used in) investing activities</i>		<u>-</u>	<u>(237,806)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	300,000
Repayment of borrowings		(9,674)	(57,587)
<i>Net cash provided by (used in) financing activities</i>		<u>(9,674)</u>	<u>242,413</u>
Net increase (decrease) in cash held		<u>88,909</u>	<u>(33,667)</u>
Cash at beginning of the year		414,497	448,164
Cash at the end of the year		<u>503,406</u>	<u>414,497</u>

The accompanying notes form part of these financial statements



Notes to the Financial Statements for the Year Ended 30 June 2008

1 Statement of Significant Accounting Policies

The financial report of the Local Government Managers Australia, NSW Division for the year ended 30 June 2008 has been prepared on an accruals basis and is based on historic costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

The financial report complies with all Australian Accounting Standards which include Australian equivalents to IFRS ("AIFRS"). A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not-for-profit sector specific requirements contained in AIFRS.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated:

Income Tax

Income tax on profit of loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amounts used for taxation purposes are calculated using the principle of mutuality whereby the Company is liable to pay income tax only on the portion of the net trading income attributable to non-members and income from external sources (such as interest, rental income and capital gains). Subscriptions and contributions from members and payments received from members for particular services provided by the Company are excluded from the assessable income of the Company.

A deferred asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



Notes to the Financial Statements for the Year Ended 30 June 2008

Property, Plant and Equipment

Owned Assets

Items of property, plant and equipment are stated at cost as deemed cost less, where applicable, any accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that have been revalued to fair value on or prior to 1 July 2004, the date of transition to Australian Accounting Standards - AIRFSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased Assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Subsequent Costs

The Company recognises the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

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

Class of Fixed Asset	Depreciation Rate
Building and Building Improvements	2.5%
Office Furniture and Equipment	5 - 40%



Notes to the Financial Statements for the Year Ended 30 June 2008

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit and loss.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Employee Benefits

Liabilities for employee benefits for wages, salaries, annual leave and long service leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage rates expected to be paid at reporting date including related on-costs, such as workers' compensation insurance and superannuation expense.

Contributions are made by the Company to employees' superannuation funds and are charged as expenses when incurred.

Trade and other payables

Trade and other payables are stated at cost.

Interest-Bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Trade and Other Receivables

Trade and other receivables are stated at cost less impairment losses



Notes to the Financial Statements for the Year Ended 30 June 2008

Revenue

Revenue represents income earned from membership subscriptions and the provision of related services. Revenue from the provision of services is recognised upon the delivery of the service to the members and customers.

Contributions received by the entity are recognised immediately as revenue when the company obtains control of the contribution or the right to receive the contribution, the amount of the contribution can be reliably measured and it is probable that the economic benefits will flow to the company.

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of the cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative Figures

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



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
2 Revenue			
Operating Activities			
Member Subscriptions		194,125	189,959
Professional Development Programs		1,556,645	1,551,636
Grants Received		84,636	59,848
Sponsorship		55,000	66,364
Management Fees		89,432	20,000
Sundry		-	229
Total revenue		<u>1,979,838</u>	<u>1,888,006</u>
Non-operating activities			
Profit on Sale of Property, Plant and Equipment		-	35,075
Interest Received		<u>44,922</u>	<u>27,091</u>
Total Other Income		<u>44,922</u>	<u>62,166</u>
Total Revenue		<u>2,024,760</u>	<u>1,950,172</u>
3 Personnel Expenses			
Wages and Salaries		319,999	284,487
Bookkeeping		14,719	12,710
Temp Staff-Agency		43,030	16,579
Consultant's Fees		-	880
Superannuation Contributions		26,570	25,870
Increase/Decrease in Liability for Annual Leave and Bonus		20	(5,245)
Workers Compensation Insurance		1,377	1,809
Staff Amenities		4,612	3,859
Staff Recruitment		8,423	15,239
Staff Training		270	6,994
Total Personnel Expenses		<u>419,020</u>	<u>363,181</u>
4 Auditors' Remuneration			
<i>Auditors of the Company</i>			
Audit of Financial Reports		20,000	32,250
Other Services		<u>10,000</u>	<u>2,220</u>
		<u>30,000</u>	<u>34,470</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	2008	2007
Note	\$	\$
5 Taxation		
Numerical Reconciliation Between Tax Expense and Pre-Tax (a) Net Profit		
Profit from ordinary activities	53,957	175,405
prima facie tax on net profit at 30%	16,187	52,622
Increase in income tax expense due to:		
Members only expenses and non-deductible items	4,179	11,987
Expenses proportionately applicable to members	108,936	197,167
Tax effect of disposal of asset held for sale	-	9,655
Movement in employee provisions	2,254	-
Movement in accruals	9,000	-
Decrease in income tax expense due to:		
Income from members only	(58,237)	(56,988)
Income proportionately applicable to members	(77,451)	(170,176)
Non-assessable interest income	-	(347)
Tax incentives not recognised in the income statement	-	(333)
Movement in employee provisions	-	(943)
Reversal of unrecognised deferred tax asset	(4,868)	(42,644)
Income Tax Expense	-	-
The deferred tax asset in respect of temporary differences and tax losses has not been recognised as an asset as utilisation is not probable. The deferred tax asset not recognised comprises the following:		
Tax losses carried forward	15,552	20,420
Deductible temporary differences	11,254	2,351
	<u>26,806</u>	<u>22,771</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
6 Cash and Cash Equivalents			
Cash on Hand		500	300
Cash at Bank		133,838	64,197
Bank Short Term Deposits		<u>369,068</u>	<u>350,000</u>
		<u>503,406</u>	<u>414,497</u>
7 Trade and other receivables			
Current			
Trade Receivables		221,839	184,769
Other receivables and prepayments		8,239	10,616
GST Receivable		19,136	15,255
Income Tax Refund		<u>1,642</u>	<u>-</u>
		<u>250,856</u>	<u>210,640</u>
8 Property, Plant & Equipment			
Non-Current Property, Plant and Equipment			
Land		353,922	353,922
Buildings and improvements		257,628	257,628
Less: Accumulated Depreciation		<u>(13,946)</u>	<u>(7,698)</u>
		<u>243,682</u>	<u>249,930</u>
Total Land and Buildings		<u>597,604</u>	<u>603,852</u>
Office Furniture and Equipment		44,958	47,389
Less: Accumulated depreciation		<u>(23,701)</u>	<u>(20,951)</u>
		<u>21,257</u>	<u>26,438</u>
Total Property, Plant and Equipment		<u>618,861</u>	<u>630,290</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
<p>Property, plant and equipment current year value includes owner-occupied commercial unit at Avenue of the Americas, Newington stated at cost. The directors are of the opinion that the market value at 30 June 2008 of the property will not be less than the cost of the asset as recognised in the financial statements.</p>			
<p>Movement in Carrying Amounts</p>			
Land			
Balance at 1 July		353,922	75,000
Acquisitions		-	353,922
Disposals		-	(75,000)
Depreciation		-	-
Balance at 30 June		<u>353,922</u>	<u>353,922</u>
Buildings & Improvement			
Balance at 1 July		249,930	302,000
Acquisitions		-	257,628
Disposals		-	(302,000)
Depreciation		<u>(6,248)</u>	<u>(7,698)</u>
Balance at 30 June		<u>243,682</u>	<u>249,930</u>
Office Equipment			
Balance at 1 July		26,438	15,132
Acquisitions		-	22,276
Disposals		-	(5,460)
Depreciation		<u>(5,181)</u>	<u>(5,510)</u>
Balance at 30 June		<u>21,257</u>	<u>26,438</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
9 Trade and other payables			
Current			
Trade Creditors		112,227	35,686
Sundry Creditors and Accruals		<u>57,252</u>	<u>38,711</u>
		<u>169,479</u>	<u>74,397</u>
10 Financial Liabilities			
Current			
Loans - Secured		<u>19,092</u>	<u>18,492</u>
Non-Current			
Loan - Secured		<u>263,957</u>	<u>274,231</u>
11 Provisions			
Provision for Long Service Leave		8,060	-
Provision for Annual Leave		<u>9,450</u>	<u>9,997</u>
		<u>17,510</u>	<u>9,997</u>
Provision for Bonus		<u>15,000</u>	<u>5,000</u>
Total provisions		<u>32,510</u>	<u>14,997</u>
12 Other Liabilities			
Current			
Income in Advance		<u>53,001</u>	<u>92,183</u>
13 Retained earnings			
Retained earnings at the beginning of the financial year		781,127	605,722
Net profit attributable to members of the company		<u>53,957</u>	<u>175,405</u>
Retained earnings at the end of the financial year		<u>835,084</u>	<u>781,127</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
14 Leasing Commitments			
Operating Lease Commitments			
Being for rent of office equipment payable:			
Within one year		20,400.00	22,615.00
One year or later and no later than 5 years		-	20,400.00
Total Operating Lease Liability		<u>20,400.00</u>	<u>43,015.00</u>

15 Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. As at 30 June 2008, the number of members was 629 (2007: 673)

16 Key Management Personnel Compensation

The following were key management personnel at any time during the reporting period

Non-Executive Directors

Paul A Bennett
Edward J Burgess
Lia M Chinnery
Mark J Ferguson
Gary Mottau
Gregory J Murdoch
Andrew B Roach
David J Tuxford

Executive Directors

Penelope J Holloway (President)
Michael G Milston (Vice President)

Executives

Juleen McTaggart (Chief Executive Officer)
Amanda Spalding (Former Chief Executive Officer)

Key management personnel compensation included in "personnel expenses" is as follows:

	\$	\$
Short-term employee benefits	127,054	109,985
Post-employment benefits	11,844	16,949
Other long-term benefits	-	2,645
Termination benefits	-	10,521
Total compensation	<u>138,898</u>	<u>140,100</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

Note	2008	2007
	\$	\$
<p>The Directors review the remuneration package and policies applicable to Directors and Executives. Remuneration is determined after due consideration of market related conditions and the condition made by each key management personnel towards the overall profitability of the Company. Remuneration packages are not fixed and include performance-linked remuneration. The remuneration paid to the executive officer includes base compensation, employer contributions to superannuation funds and fringe benefits. A performance bonus is also payable which is based on the recommendation of the Board.</p> <p>Both executive and non-executive directors do not receive any income from the entity for their services as directors. The Company does not provide fringe benefits to any of the directors. No written service contracts are in place.</p> <p>The directors were reimbursed for expenses incurred in carrying out their role as a director. The total expenses were not contracts involving directors' interest existing at year end.</p> <p>There were no amounts receivable or payable to related key management personnel and their related parties at balance date.</p> <p>The remuneration of each key management personnel is as follows:</p>		
Juleen McTaggart (Commenced 17 March 2008)		
Short-Term Employee Benefits	39,697	0
Post-Employment Benefits	3,573	0
Other Long-Term Benefits	0	0
Termination Benefits	<u>0</u>	<u>0</u>
	<u>43,270</u>	<u>0</u>
Amanda Spalding (Resigned 13 March 2008)		
Short-Term Employee Benefits	87,357	41,975
Post-Employment Benefits	8,271	3,328
Other Long-Term Benefits	0	2,645
Termination Benefits	<u>0</u>	<u>0</u>
	<u>95,628</u>	<u>47,948</u>
Margie O'Tarpey (Resigned 12 January 2007)		
Short-Term Employee Benefits	0	68,010
Post-Employment Benefits	0	13,621
Other Long-Term Benefits	0	0
Termination Benefits	<u>0</u>	<u>10,521</u>
	<u>0</u>	<u>92,152</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
17 Additional Financial Instruments Disclosure			
<p>a. Net fair values: The carrying amount of bank deposits, prepayments, accounts payable and accounts receivable approximate fair value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and the Notes to the Financial Statements. Fair value on interest-bearing loans and borrowings is calculated based on discounted expected future principal and interest cash flows.</p> <p>b. Interest rate risk: The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.</p> <p>c. Credit risk: The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.</p>			
Cash Assets			
Weighted Average Interest Rate		6.50	5.20
Floating Interest Rate		502,907	414,197
Non-Interest Bearing		<u>500</u>	<u>300</u>
Total		<u>503,407</u>	<u>414,497</u>
Receivables			
Non-Interest Bearing		<u>221,839</u>	<u>184,769</u>
Total		<u>221,839</u>	<u>184,769</u>
Payables			
Non-Interest Bearing		<u>169,480</u>	<u>74,398</u>
Total		<u>169,480</u>	<u>74,398</u>
Secured Loans			
Weighted Average Interest Rate		8	8
Floating Interest Rate		94,837	96,967
1 Year or Less		7,824	7,224
1 to 5 Years		<u>180,388</u>	<u>188,562</u>
Total		<u>283,049</u>	<u>292,723</u>



**Notes to the Financial Statements
for the Year Ended 30 June 2008**

	Note	2008 \$	2007 \$
18 Reconciliation of Cash Flows From Operating Activities			
Profit for the period		53,957	175,405
Depreciation		11,429	13,208
(Profit)/Loss on Disposal of Pland & Equipment		-	(35,075)
(Increase)/Decrease in Receivables		(40,216)	(36,360)
Increase/(Decrease) in Trade Creditors and Accruals		95,082	(44,077)
Increase/(Decrease) in Income in Advance		(39,182)	(103,926)
Increase/(Decrease) in Provisions		17,513	(7,449)
		98,583	(38,274)



Directors' Declaration

In the opinion of the Directors of Local Government Managers Australia, NSW:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Company as at 30 June 2008 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (b) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Director: 

Penelope Jane Holloway

Director: 

Michael Grouse Milston

Dated at Sydney this 5th day of September 2008



Independent Auditor's Report

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and the directors' declaration of the Local Government Managers Australia, NSW Division for the year ended 30 June 2008.

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporation Act 2001. This includes responsibility for the maintenance of the adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position and its performance as represented by the results of their operations, changes in equity and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



Independent Auditor's Report

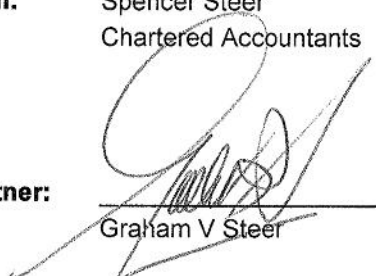
Audit Opinion

In our opinion, the financial statements of Local Government Managers Australia, New South Wales is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at the year ended 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporation Regulations 2001; and
- (b) other mandatory professional reporting requirements

Name of Firm: Spencer Steer
Chartered Accountants

Name of Partner:


Graham V Steer

Address: Level 9, 60-70 Elizabeth Street SYDNEY NSW 2000

Dated at Sydney this 8th day of September 2008



Principal Sponsor



1300 369 901



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