

# Local Government Managers Australia New South Wales



**Annual Report  
2008-2009**

**Building Tomorrow's Leaders in Local Government**



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.

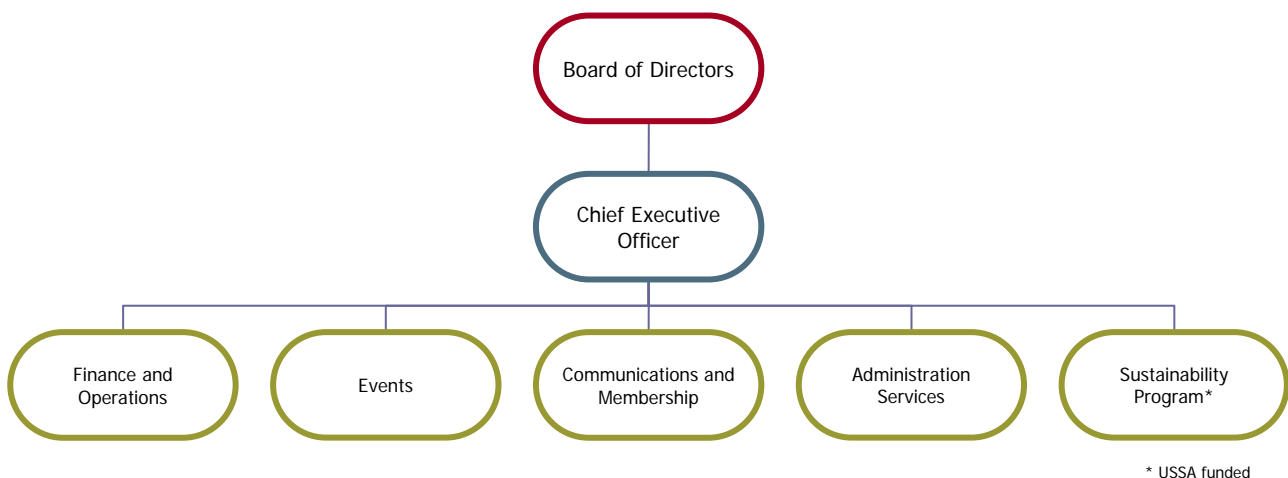
The LGMA NSW Board of Directors is accountable to the Local Government Managers Australia (NSW) as a whole for the business of the Association. The President, Vice President and Directors are all elected by the Membership on a two yearly basis, with nominations closing prior to the applicable year's 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.

In 2008/09 LGMA NSW operates fifteen Member Networks including nine Regional Networks throughout NSW and six 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 2008-2009 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

Mark Ferguson  
President



Paul Bennett  
Vice President



Lia Chinnery  
Director



Jason Gordon  
Director



Penny Holloway  
Director  
(Past President)



Michael Milston  
Director



Greg Murdoch  
Director



Andrew Roach  
Director



Simone Schwarz  
Director



Barry Smith  
Director



David Tuxford  
Director







## President's Report Mark Ferguson

The 2008-9 year has been a challenging but rewarding period for LGMA NSW. The Association has had a tight budgetary position similar to many other organisations following the impacts of the recent Global Financial crises. In addition, we experienced some staff changes also. However, despite this we still delivered over five major programs and over forty professional development courses and found the year to be rewarding, recognising the important roles we play in capacity building of individuals and the industry. Our Membership base remains solid with some growth in the number of Members and we have seen an increase in the active engagement of our Members.

### Highlights

Some of the highlights have been that we have conducted some outstanding programmes, two of which were new, such as Horizon – The Leadership Conference and the newly piloted Women in Local Government Mentoring Program .

Horizon was billed by many as the 'best conference they had ever been to' by many of the delegates, with creative and energetic facilitation that had hands on activities and experiential learning. Our LGMA NSW Forum in June 2009 was also strongly supported by Councillors and General Managers as it focused on the very topical issues of economic downturn and development and how we make this work for Local Government.

We also trialled some new Forums such as the Integrated Planning and Reporting Forum held in June 2009, whereby we had 120 attendees across many Councils work through the impending legislative changes, and we had participants workshop best practice models and case studies. Hazel Storey from LGMA NSW created this program from beginning to end and the feedback was outstanding.

Our Member Networks (Special Interest Groups and Regional Networks) continue to develop and provide innovation, support and networking opportunities for our Members. We were very excited to be able to progress the development of a new Special Interest Group - the Community Services Group.

We have further developed our key Sponsorship relationships so that now we have a stronger commitment from our Sponsors with strategic partnerships, and we have also taken up and addressed key industry and Member issues such as Superannuation, Contracts and changes to Planning laws.

Staff turnover created some difficulties to maintain momentum in the improvement to services for Members, however, the LGMA NSW Office has continued to show it's willingness to go the extra mile with assistance and support to Members.

Changes and challenges bring opportunity for re-energising these areas and this has occurred with the recruitment of the new CEO Annalisa Haskell. Her commencement in May has coincided with a refreshing approach to the continuing improvement of the LGMA NSW Good Practice Toolkit, further development plans for the Sustainability Health Check, improved Member communication and increased brand awareness. I am confident under her leadership and with the support of key staff, Vicki Keating, Rebecca Thomas, Jane Lee, Hazel Story and Diane Barry the Association will strengthen and deliver outstanding results in the years to come.

At a National level the LGMA's successful partnership with UTS, University of Canberra, ANZSOG and IPWEA to deliver the National Centre for Excellence for Local Government will also provide an opportunity for our organisation and the industry to develop in 2010 and beyond.

Finally, I would like to sincerely thank all of the LGMA NSW Board members for their tireless efforts during the year, particularly Vice President Paul Bennett who has been a great support.



## Chief Executive Officer's Report Annalisa Haskell

I am pleased to deliver to you the LGMA NSW Annual Report for 2008/9.

This year has been a transitional year for LGMA NSW. We have delivered some outstanding events and programs on our own and in partnership with our Member Networks (Regional Networks and Special Interest Groups). In addition, we have put in place some strong foundations that will support LGMA NSW into the future.

It is certainly my view that there is no better time to be a professional within Local Government than right now. The sector is changing at a rapid rate with increased demands that require Councils to operate at a higher level, as well as there being some new and fundamental changes as to how Councils do business with both their communities and stakeholders. As we know, community expectations have been increasing at a rapid rate as the diversity of issues that now need addressing grows. As a result, the sphere of responsibilities for Local Government has increased and this has placed increased demands upon Council staff from many of their stakeholders.

The great news about this is that the sector should become one of the most attractive to both the highly experienced, as well as up and coming professionals. Our Vision at LGMA NSW is to build tomorrow's Local Government leaders so they are fully ready to take advantage of this.

As such, we are committed to strengthening the professional capability of all Local Government Managers in NSW and across Australia through our National Federation, by ensuring access to the best resources and our support through education, connections and information.

Looking to the future, recent work that we have been doing at LGMA NSW is not necessarily visible yet to all Members, but will mature in the course of the upcoming year. The key areas of focus for us are:

1. Strengthening our brand identity and credibility for LGMA NSW
2. Growing our Membership for individuals and Councils
3. Increasing Member benefits including Member Networks
4. Leveraging and developing strategic partnerships
5. Enhancing our capacity within the organisation to deliver even more creative events and programs.

I would like to make special mention of our Regional Networks and Special Interest Groups. The work that the Member Executive Committees of the Networks do on behalf

of Members and the industry at large, deserves recognition as they work hard to deliver leading edge information in a timely way to all levels of professionals with NSW Local Government.

In the context of our Vision the Member Networks underpin our organization to build Members' capabilities through;

- Information and education
- Increased visibility within Local Government
- Status and recognition
- Networking and support
- Interaction between professionals
- Access to the skills and advice of senior Members
- Committee management experience

These groups continue to be a core benefit of LGMA NSW Membership and we will ensure that we increase our support to these groups as they develop to become even more successful in the future.

### LGMA NSW Future Initiatives and Challenges

Some of the challenges we face lie in our need to grow Members and Member diversity. Thus we need to ensure we enhance the perceived and real value of Membership and also ensure that the value of Special Interest Groups and Regional Networks is fully understood within the sector.

We also need to increase the representation of our Members at our professional development events and training, through consolidating our relationships within Councils, so that we become a preferred provider in the future.

Our focus will be on expanding the depth of offerings we have to the industry through continuing to enhance our Good Practice Toolkit for Councils, aligning our Membership and Professional Development services as well as leveraging the various National LGMA initiatives such as; the Management Challenge, International Exchange Program, National Congress, National Year of Women in Local Government and the Local Government Centre for Excellence.

We look forward to continuing to support our Members by partnering with them, and the wider community so that we deliver our Mission which is to 'ensure that our Members are recognised as industry leaders at the forefront of continuous improvement of Local Government'.



## LGMA NSW Committees

### Communications & Membership Committee

The key outcomes of the Communications & Membership Committee are 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 the General Manager Peer support panel), facilitating effective, credible and supported Membership Networks and communication, (particularly Regional Networks and Special Interest Groups (SIGs)), ensuring recognition and awards for Members who have made a significant contribution to Local Government and the 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, establishment of new SIGs and a focus on delivering tangible benefits for Members.

#### 2008 – 2009 Committee Members

##### *Chairperson*

Simone Schwarz – Sutherland Shire Council

##### *Committee Members*

Paul Bennett — Dubbo City Council  
Lia Chinnery – Canterbury City Council  
Rob Peno — Marrickville City Council  
Graeme Fleming — Cabonne Shire Council  
Rebecca Thomas — LGMA NSW (Secretariat)

### Events and Professional Development Committee

LGMA NSW is committed to developing and providing inspiring, progressive and educational programs for our Members. Our aim is to keep all Members abreast of advancements within the Local Government industry and to develop our younger Members into the leaders of tomorrow.

With this aim in mind, LGMA NSW has developed some key events this year including; the LGMA NSW 2008 Annual Conference, which was held in Penrith in September 2008, the LGMA NSW Forum held in June 2009, addressing the global financial crisis and the effects on Local Government, Horizon – The Leadership Conference, held in the Hunter Valley in March 2009, which set delegates on their leadership journey, two "Hot Topic" General Manager's Forums addressing good practice, governance in Local Government, the economic downturn and state development and the Integrated Planning and Reporting Forum in June 2009. LGMA NSW also hosted a number of professional development workshops and events, and events were also held by our Member Networks.

#### 2008 – 2009 Committee Members

##### *Chairperson*

David Tuxford – Liverpool City Council

##### *Committee Members*

Jason Gordon — Coffs Harbour City Council  
Linda Kirkwood – Coffs Harbour City Council  
David Mead — Retired Member  
Andrew Moore— Penrith City Council  
Greg Murdoch – Murray Shire Council  
Ian Naylor— Lane Cove Council  
Kath Roach — SINC Solutions  
Vicki Keating — LGMA NSW (Secretariat)

### Policy and Advocacy Committee

In 2008-9 the Committee met to establish the Policy Platforms upon which it will operate and it was resolved to adopt the following:

1. Planning Reform
2. Water Reform
3. Integrated Planning, Reporting and Asset Management
4. Financial Management and Economic Sustainability
5. Sustainability and the Environment
6. Good Governance
7. Women in Local Government
8. Skills and Workforce Planning
9. Constitutional Recognition
10. Legislative considerations

#### 2008 – 2009 Committee Members

##### *Chairperson*

Barry Smith – Hunter's Hill Council

##### *Committee Members*

Peter Bascomb – Palerang Council  
Warwick Bennett — Mid Western Regional Council  
Stephen Blackadder — Consultant  
Michael Coulter — Nambucca Shire Council  
Penny Holloway – North Sydney Council  
Phil Pinyon – Blue Mountains City Council  
Michael Milston – Orange City Council  
Andrew Roach — Port Macquarie-Hastings Council  
Greg Smith – Rockdale City Council



### Sustainability Program including the Leadership for Sustainability Network (Closed Group)

The Leadership for Sustainability Network was established by LGMA NSW as part of a grant funded program 'The Urban Sustainability Support Alliance', of which LGMA NSW is a founding partner. LGMA NSW developed this Network to provide support to Councils and professionals leading the sustainability agenda. The intent was for the Network to become an LGMA NSW Special Interest Group in it's own right for 2009/10. This Network has given LGMA NSW a presence and profile in sustainability with strong attendance and support by many Council practitioners and industry experts who are actively involved in sustainability.

### Women in Local Government Working Party

Following the publication of the Review of the 2001 National Framework for Women in Local Government in June 2007, LGMA NSW established a Women's Working Party and developed the Action Plan for Women Employed in Local Government in NSW. The Action Plan was approved by the LGMA NSW Board of Directors on 13 December 2007.

Throughout 2008 and 2009, LGMA NSW has worked with all stakeholders on promoting diversity in leadership in Local Government and on implementing the Action Plan. The results have been:

- Two highly successful Women's Forums
- Presentation of the Action Plan was made to an ALGWA Conference
- Inclusion of the Actions within the State Strategies for Women in Local Government
- A Women's Mentoring Program pilot program established
- The Development of a Best Practice EEO Management Plan is to be completed in conjunction with the Department of Local Government with the aim that this plan become part of the Workforce Planning component of Integrated Planning and Reporting.

The Women's Working Party for 2009 is:

- Penny Holloway — North Sydney Council
- Kim Anson — Marrickville City Council
- Beki Boulet — Mosman Municipal Council
- Helen Connell — Holroyd City Council
- Linda Kirkwood — Coffs Harbour City Council
- Simone Schwarz — Sutherland Shire Council
- Amanda Spalding — Manly City Council





# LGMA NSW Member Networks - Regional Networks and Special Interest Groups

## LGMA NSW Member Networks

LGMA NSW has a large number of Member Networks established for the primary purpose of supporting our Members to gain access to the latest information, share experiences and network with other Local Government professionals – either from the local area or from an area of professional specialisation. These Networks are a central part of our Membership benefits.

Additionally, they play a crucial part in offering LGMA NSW Members the opportunity to develop their leadership skills in the running of a Network and involvement in an Executive Committee, enabling them to take increased leadership roles and responsibilities within Local Government. Members who have played an active part in these Networks have often gone onto expanded careers and larger roles within their own Councils or beyond, and have benefited from this additional leadership and management exposure.

### Regional Networks

LGMA NSW has nine Regional Networks and their Executives that support Members throughout NSW. They are;

#### Greater Hunter Region

##### *Chairperson*

Jan Lean – Newcastle City Council

#### Mid North Coast Region

##### *Chairperson*

Steve Embry – Great Lakes Council

##### *Secretary*

Neil Porter – Port Macquarie-Hastings Council

#### Mitchell Region

##### *Chairperson*

Clare Phelan – Mid-Western Regional Council

##### *Secretary*

Chris Hannus – Orange City Council

#### North West Region

##### *Chairperson*

Ken Beddie – Inverell Shire Council

##### *Executive Members*

Steve Bartlett – Tamworth City Council

Paul Pay – Inverell Shire Council

#### Northern Rivers Region

##### *Chairperson*

Ian Preston – Clarence Valley Council

##### *Secretary*

Neil Baldwin – Tweed Shire Council

#### Orana Region

##### *Chairperson*

Paul Mann – Gilgandra Shire

#### Riverina Region

##### *Chairperson*

Peter Kozlowski, Wentworth Shire Council

##### *Deputy Chairperson*

Chris Chapman, Wakool Shire Council

##### *Secretary*

Lisa Bleyerveld, Murray Shire Council

#### Southern Region

##### *Chairperson*

David Rawlings – Bombala Council

##### *Secretary/ Treasurer*

David Philpott – Boorowa Council

#### Sydney Region

##### *Chairperson*

Ian Naylor - Lane Cove Council

##### *Deputy Chairperson*

Rob Peno – Marrickville City Council

##### *Treasurer*

Stewart Bates – Baulkham Hills Shire Council

##### *Secretary*

Lia Chinnery – Canterbury City Council

##### *Executive Members*

Michael Azzi – Rockdale City Council

Geoff Burton – City of Sydney

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

Here is some of the work done this year by some of the Regions:

#### Greater Hunter

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 on Community Planning and the second was on the changing relationship between Councils and Communities.



### Mid North Coast

Last year this Special Interest Group held one meeting in November which was hosted by Coffs Harbour City Council and it was very well attended. It was a joint meeting involving the Northern Rivers and Mid North Coast Regional Networks.

The agenda included presentations on the state of the insurance market, Asset Lifecycle Management solutions and a review of the Model Code of Conduct, which outlined the implications for General Managers and Conduct Review Committees.

### Riverina

This group enhances the professional development and knowledge of LGMA NSW Members in the Riverina Network. The group has held three successful meetings during the year with strong attendance numbers. A successful two day Annual Forum in November 2008 was held in Tumbarumba with the key speaker being Sam Haddad, Director General, Department of Planning. The Network has continued to pursue joint meetings with closely aligned groups. As a consequence, attendances were high when a joint meeting was held with the Riverina and Murray Regional Organisation of Councils in Narrandera.

### Sydney

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

During the last 12 months this group addressed such topics as Asset Management, Social Inclusion, innovative solutions in difficult financial times and Community Plans as part of Integrated Planning and Reporting, and a sharing of experiences with Members who have worked internationally in Local Government overseas.



## Special Interest Groups (SIGs)

LGMA NSW has six Special Interest Groups and their Executives that support Members throughout NSW. They are;

### Finance Professionals

#### *Chairperson*

Gary Mottau – Warringah Council (resigned May 2009)  
 Tim Butler – Holroyd City Council (appointed May 2009)

#### *Vice Chairperson*

Tim Butler – Holroyd City Council (resigned May 2009)  
 Rob Peno – Marrickville City Council (appointed May 2009)

#### *Secretary*

Aaron Jones – Blayney Shire Council

#### *Publicity Officer*

Rob Peno – Marrickville City Council

#### *Conference Co-ordinator*

David Tuxford – Liverpool City Council

#### *Executive Members*

Michael Chorlton – Tweed Shire Council  
 Brian Jenkins – Wollongong City Council  
 Vicki O'Kelly – Penrith City Council  
 Craig Richardson – Wagga Wagga City Council  
 Rob Stalley – Hawkesbury City Council

## Governance

#### *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

#### *Chairperson*

Erica Goodsir – Pittwater Council (resigned August 2008)  
 Helen Connell – Holroyd City Council (appointed August 2008)

#### *Deputy Chair – Metropolitan*

Helen Connell – Holroyd City Council (resigned August 2008)

#### *Deputy Chair – Rural*

Linda Kirkwood – Coffs Harbour City Council

#### *Secretary*

Beki Boulet – Mosman Council

#### *Treasurer*

Vikki Lee – Liverpool City Council

## Integrated Planners

#### *Chairperson*

Ross Kingsley - Penrith City Council (resigned December 2008)  
 Amanda Spalding — Manly Council (appointed December 2008)

#### *Secretary*

Helen Cooper - Penrith City Council

#### *Executive Members*

Chloe Beevers – Great Lakes Council (resigned April 2009)  
 Susan Christie - Eurobodalla Shire Council  
 Alia Karaman - Auburn City Council  
 Ed Mishra — Hurstville City Council  
 Kathleen Swinbourne — City of Sydney

## IT Professionals

#### *Chairperson*

Chris Gardner – Penrith City Council

#### *Vice Chairperson*

Kerry Hyland – Camden Council

#### *Secretary*

Fran Varrica – Warringah Council

## Young Professionals in Local Government

#### *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  
 Keith Whelan — Cessnock City Council





## Finance Professionals

The Group aims to support, promote and develop Local Government finance professionals and promote the professional image and recognition of these professionals in the industry. This Special Interest Group continues to receive strong support from the Local Government finance industry and provide successful networking, professional development and industry information opportunities. The Annual Financial Professionals Conference has become a landmark feature in the calendar of most Local Government finance professionals.

## Governance

This group exists to discuss governance issues, promote professional development and knowledge of Network Members and encourage the sharing of information within the Network and Councils.

Over the past year this Group has had another successful two day Conference at Port Stephens, lobbied for changes to the Freedom of Information (FOI) Act and worked closely with Members on issues such as Code of Conduct, Privacy, Corruption Prevention, Disclosure of Political Donations and Developing Better Policies and Procedures.

## 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.

The Human Resource Professionals Special Interest Group has sourced a number of worthy speakers to stimulate Human Resource Managers and practitioners in their professional development.

## Integrated Planners

The Network has continued to be influential in the development and consultation on the proposed legislation on Integrated Planning and Reporting following the Department of Local Government's consultation on the proposed legislation in 2008. As part of this process, the 2008/09 draft guidelines were workshopped with Network Members.

Four meetings were held through the year across the State covering Integrated Planning and Reporting legislation workshops, case studies of various Council implementation of Integrated Planning and Reporting, the development of Social and Community Strategic Plans.

## IT Professionals

The IT Professionals Special Interest Group continues to provide a forum for peer support and the sharing of ideas, challenges and solutions for Local Government IT professionals across NSW.

The group held four meetings in 2008/9 which were strongly supported in Blacktown, Coffs Harbour, Hurstville and Mudgee.

In May 2009, the annual two day regional meeting was held at Mudgee with strong regional representation. This is the fifth time this event has been held and once again it was strongly supported by Members and Sponsors.

## Young Professionals in Local Government

The Young Professionals in Local Government (YPinLG) Special Interest Group encourages diversity within Local Government as well as providing an opportunity for young professionals to discuss, debate, and progress points of interest. They continue to aim for the establishment of mentoring programs for young professionals in Local Government and provide an opportunity for General Managers and other senior professionals in Local Government to share knowledge and experience.

Over the past 12 months the group has continued to meet on a regular basis and been instrumental in working with staff of the LGMA NSW Office to develop Horizon - The Leadership Conference. It continues to communicate on topics of interest to the young and emerging leaders of Local Government.



## Financials



## Directors' Report

Your Directors present their report on the Company for the financial year ended 30 June 2009.

### Directors

The names of Directors in office at any time during the period 1 July 2008 to 30 June 2009 are:

Mark James Ferguson (President)  
Paul Anthony Bennett  
Michael Grouse Milston  
Barry Smith (appointed 18 September 2008)  
Lia Mari Chinnery  
Simone Schwarz (appointed 18 September 2008)  
Gregory John Murdoch  
David Joseph Tuxford  
Andrew Blair Roach  
Jason Gordon (appointed 18 September 2008)  
Penny Jane Holloway (Immediate Past President)  
Gary Mottau (resigned 18 September 2008)  
Edward John Burgess (resigned 18 September 2008)

The 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

Juleen McTaggart since 19 March 2008 and ceased on 10 April 2009.  
Annalisa Haskell since 25 May 2009.

### Principal Activities

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

### Review and Results of Operations

The net deficit from operating activities of the Company, including Regional Branches and Special Interest Groups, for the financial year was \$129,117 (per final audited Financial Reports).

### Review of Operations

#### 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. With the exception of Fraudulent activities still under investigation and court action.

#### Event Subsequent to Reporting date

No matters or circumstances have arisen since 30 June 2009 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.

## 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, B Smith, LM Chinnery, MJ Ferguson, S Schwarz, GJ Murdoch, DJ Tuxford, AB Roach, J Gordon, J McTaggart, A Haskell.

### 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
MJ Ferguson MLGMA	President of LGMA NSW since 2008. 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 and Chairperson of LGMA NSW Executive Committee.
PA Bennett FLGMA	Vice President LGMA NSW; Director since October 2004; Director of Organisational Services, Dubbo Shire Council; holds a Bachelor of Financial Administration (Accounting); previous Chairperson of the LGMA NSW Membership Committee; Member of the LGMA NSW Membership Committee; previously Secretary of the LGMA NSW Orana Region; previously Secretary of the LGMA NSW Local Government Finance Professionals Special Interest Group, Convenor of the International Exchange Program.
MG Milston FLGMA	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; previous 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.
B Smith FLGMA	Director since September 2008; General Manager, Hunters Hill Council; holds a Master of Business (Local Government), Bachelor of Business (Public Administration); Chairperson of the LGMA NSW Policy & Advocacy Committee.
LM Chinnery MLGMA	Director since October 2006; Governance Coordinator, Canterbury 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; Member of LGMA NSW Governance Special Interest Group; Member of the LGMA NSW Membership Committee.
S Schwarz MLGMA	Director since September 2008; Manager, Strategic Planning, Sutherland Shire Council; holds a Bachelor of Arts (Communications) and Master of Applied Social Research Degree; Chairperson of the LGMA NSW Communications and Membership Committee; currently a visiting Associate at the UTS Centre for Local Government, Board Member of the Benevolent Society, and a Member of the Joint Ministerial Advisory Council on Women in Local Government, Past President, NSW Local Government Community Services Association, Member of LGMA NSW Women in Local Government Working Group.
J Gordon MLGMA	Director since September 2008; Director of City Services at Coffs Harbour City Council; holds a Bachelor Degree in Civil Engineering (1st Class Honours), a Master of Business Administration (in Technology Management), a Master of Commercial Law and is an Accredited Mediator. He is the Chairman of the Young Professionals SIG of the LGMA NSW, Member of LGMA NSW Events and Professional Development Committee, Member of LGMA NSW Policy and Advocacy Committee.
GJ Murdoch FLGMA	Director since October 2004; General Manager, 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 Local Government Ministerial Advisory Council.
AB Roach MLGMA	Director since October 2006; General Manager, Port Macquarie-Hastings 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, Member of LGMA NSW Executive Committee.
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 Executive Committee.
PJ Holloway MLGMA	Immediate Past President LGMA NSW. 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; Convenor of the LGMA NSW Women in Local Government Working Group, previously Convenor of the LGMA NSW Policy and Programs Committee; previously Convenor of the LGMA NSW Sydney Region.



## Meetings of Directors

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

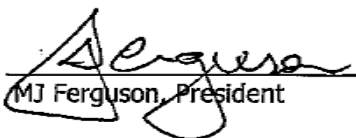
	Directors' Meetings	
	Number eligible to attend	Number attended
Mark Ferguson	5	5
Paul Bennett	5	4
Michael Milston	5	5
Barry Smith	3	3
Lia Chinnery	5	4
Simone Schwarz	3	3
Jason Gordon	3	2
Greg Murdoch	5	4
Andrew Roach	5	2
David Tuxford	5	4
Penny Holloway	5	5


## Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 as required under Section 307C of the Corporations Act has been received and a copy is included in the Directors' report.

Dated at 1st September 2009

Signed in accordance with a resolution of the Board of Directors

  
MJ Ferguson, President

  
PA Bennett, Vice President



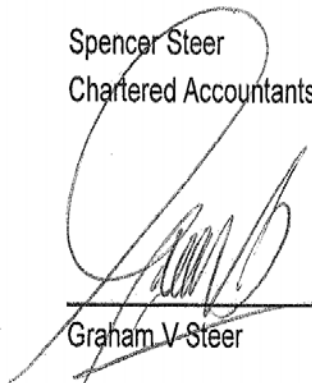


**LEAD AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE LOCAL GOVERNMENT MANAGERS AUSTRALIA, NSW DIVISION**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2009 there have been no:

- (i) contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) 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 this 3<sup>rd</sup> day of August 2009**



**Income Statement**  
for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue	2	1,680,110	1,935,328
Professional Development Expenses		(988,016)	(1,108,354)
Administrative Expenses		(80,924)	(122,002)
Personnel Expenses	3	(496,682)	(419,020)
Depreciation Expenses		(9,565)	(11,429)
Occupancy and Office Expenses		(116,870)	(118,632)
Membership and Sundry Expenses		<u>(92,997)</u>	<u>(77,485)</u>
<b>Operating Profit/(Loss) Before Financing Costs</b>		(104,944)	78,406
Net Financing Costs		<u>(24,173)</u>	<u>(24,448)</u>
<b>Profit/(Loss) Before Income Tax</b>		(129,117)	53,957
Income Tax Expense	5	<u>-</u>	<u>-</u>
<b>Net Profit/(Loss) After Tax</b>		<u>(129,117)</u>	<u>53,957</u>

The accompanying notes form part of these financial statements



**Balance Sheet**  
as at 30 June 2009

	Note	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	239,165	503,406
Trade and other receivables	7	<u>217,600</u>	<u>250,856</u>
<b>TOTAL CURRENT ASSETS</b>		<u>456,765</u>	<u>754,262</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>609,297</u>	<u>618,861</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>609,297</u>	<u>618,861</u>
<b>TOTAL ASSETS</b>		<u>1,066,062</u>	<u>1,373,123</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	66,043	169,479
Financial liabilities	10	24,265	19,092
Provisions	11	17,723	32,510
Other current liabilities	12	<u>-</u>	<u>53,001</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>108,031</u>	<u>274,082</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	10	<u>252,064</u>	<u>263,957</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>252,064</u>	<u>263,957</u>
<b>TOTAL LIABILITIES</b>		<u>360,095</u>	<u>538,039</u>
<b>NET ASSETS</b>		<u>705,967</u>	<u>835,084</u>
<b>EQUITY</b>			
Retained earnings	13	<u>705,967</u>	<u>835,084</u>
<b>TOTAL EQUITY</b>		<u>705,967</u>	<u>835,084</u>

The accompanying notes form part of these financial statements



**Statement of Changes in Equity  
for the Year Ended 30 June 2009**

	<u>Retained Earnings</u>	<u>Total</u>
	\$	\$
<b>Balance at 01 July 2007</b>	781,127	781,127
Profit for the year	53,957	53,957
<b>Balance at 30 June 2008</b>	<u>835,084</u>	<u>835,084</u>
<b>Balance at 01 July 2008</b>	835,084	835,084
Loss for the year	<u>(129,117)</u>	<u>(129,117)</u>
<b>Balance at 30 June 2009</b>	<u>705,967</u>	<u>705,967</u>

The accompanying notes form part of these financial statements



**Cash Flow Statement  
for the Year Ended 30 June 2009**

	Note	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts in the course of operations		1,793,294	2,070,884
Payments to suppliers and employees		(2,047,817)	(1,991,133)
Interest received		23,821	44,922
Finance Costs		(13,988)	(24,448)
Income tax paid		(2,644)	(1,642)
<b><i>Net cash provided by (used in) operating activities</i></b>	<b>18</b>	<b><u>(247,334)</u></b>	<b><u>98,583</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		-	-
<b><i>Net cash provided by (used in) investing activities</i></b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(16,907)	(9,674)
<b><i>Net cash provided by (used in) financing activities</i></b>		<b><u>(16,907)</u></b>	<b><u>(9,674)</u></b>
<b>Net increase (decrease) in cash held</b>		<b><u>(264,241)</u></b>	<b><u>88,909</u></b>
<b>Cash at beginning of the year</b>		<b>503,406</b>	<b>414,497</b>
<b>Cash at the end of the year</b>		<b><u>239,165</u></b>	<b><u>503,406</u></b>

The accompanying notes form part of these financial statements





## Notes to the Financial Statements for the Year Ended 30 June 2009

### 1 Statement of Significant Accounting Policies

The financial report of the Local Government Managers Australia, NSW Division for the year ended 30 June 2009 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 2009

### 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:

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



## Notes to the Financial Statements for the Year Ended 30 June 2009

### ***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 2009

### 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 2009

	Note	2009 \$	2008 \$
<b>2 Revenue</b>			
<b>Operating Activities</b>			
Member Subscriptions		133,457	194,125
Professional Development Programs		1,043,917	1,556,645
Grants Received		107,000	84,636
Sponsorship		371,915	55,000
Management Fees		-	-
Total revenue		<u>1,656,289</u>	<u>1,890,406</u>
<b>Non-operating activities</b>			
Profit on Sale of Property, Plant and Equipment		-	-
Interest Received		<u>23,821</u>	<u>44,922</u>
Total Other Income		<u>23,821</u>	<u>44,922</u>
<b>Total Revenue</b>		<u>1,680,110</u>	<u>1,935,328</u>
<b>3 Personnel Expenses</b>			
Wages and Salaries		430,859	319,999
Bookkeeping		-	14,719
Temp Staff-Agency		10,205	43,030
Superannuation Contributions		42,281	26,570
Increase/Decrease in Liability for Annual Leave and Bonus		322	20
Workers Compensation Insurance		2,154	1,377
Staff Amenities		(5,103)	4,612
Staff Recruitment		5,120	8,423
Staff Training		3,687	270
Professional Development		7,158	-
<b>Total Personnel Expenses</b>		<u>496,682</u>	<u>419,020</u>
<b>4 Auditors' Remuneration</b>			
<i>Auditors of the Company</i>			
Audit of Financial Reports		20,000	20,000
Other Services		<u>8,000</u>	<u>10,000</u>
		<u>28,000</u>	<u>30,000</u>





Notes to the Financial Statements  
for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<b>5 Taxation</b>			
<b>Numerical Reconciliation Between Tax Expense and</b>			
<b>(a) Pre-Tax Net Profit</b>			
Profit from ordinary activities		(129,117)	53,957
prima facie tax on net profit at 30%		(38,735)	16,187
<b>Increase in income tax expense due to:</b>			
Members' only expenses and non-deductible items		-	4,179
Expenses proportionately applicable to Members		205,745	108,936
Movement in accruals		-	9,000
Unrecognised deferred tax asset		65,868	-
Movement in employee provisions		-	2,254
<b>Decrease in income tax expense due to:</b>			
Income from Members only		(40,037)	(58,237)
Income proportionately applicable to Members		(189,727)	(77,451)
Movement in employee provisions		(2,742)	-
Reversal of unrecognised deferred tax asset		-	(4,868)
Movement in accruals		(371)	-
<b>Income Tax Expense</b>		<b>-</b>	<b>-</b>
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		78,554	15,552
Deductible temporary differences		3,113	11,254
		<u>81,667</u>	<u>26,806</u>



Notes to the Financial Statements  
for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<b>6</b>	<b>Cash and Cash Equivalents</b>		
	Cash on Hand	500	500
	Cash at Bank	51,078	133,838
	Bank Short Term Deposits	<u>187,587</u>	<u>369,068</u>
		<u>239,165</u>	<u>503,406</u>
<b>7</b>	<b>Trade and other receivables</b>		
	<b>Current</b>		
	Trade Receivables	93,959	221,839
	Other receivables and prepayments	102,819	8,239
	GST Receivable	16,536	19,136
	Income Tax Refund	<u>4,286</u>	<u>1,642</u>
		<u>217,600</u>	<u>250,856</u>
<b>8</b>	<b>Property, Plant &amp; Equipment</b>		
	<b>Non-Current Property, Plant and Equipment</b>		
	Land	353,922	353,922
	Buildings and improvements	257,628	257,628
	Less: Accumulated Depreciation	<u>(20,038)</u>	<u>(13,946)</u>
		<u>237,590</u>	<u>243,682</u>
	<b>Total Land and Buildings</b>	<u>591,512</u>	<u>597,604</u>
	Office Furniture and Equipment	44,958	44,958
	Less: Accumulated depreciation	<u>(27,173)</u>	<u>(23,701)</u>
		<u>17,785</u>	<u>21,257</u>
	<b>Total Property, Plant and Equipment</b>	<u>609,297</u>	<u>618,861</u>



**Notes to the Financial Statements  
for the Year Ended 30 June 2009**

	Note	2009 \$	2008 \$
<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 2009 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>			
<p><b>Land</b></p>			
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>
<p><b>Buildings &amp; Improvement</b></p>			
Balance at 1 July		243,682	249,930
Acquisitions		-	-
Disposals		-	-
Depreciation		(6,092)	(6,248)
Balance at 30 June		<u>237,590</u>	<u>243,682</u>
<p><b>Office Equipment</b></p>			
Balance at 1 July		21,257	26,438
Acquisitions		-	-
Disposals		-	-
Depreciation		(3,472)	(5,181)
Balance at 30 June		<u>17,785</u>	<u>21,257</u>



Notes to the Financial Statements  
for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<b>9 Trade and other payables</b>			
<b>Current</b>			
Trade Creditors		11,726	112,227
Sundry Creditors and Accruals		<u>54,317</u>	<u>57,252</u>
		<u>66,043</u>	<u>169,479</u>
<b>10 Financial Liabilities</b>			
<b>Current</b>			
Loans - Secured		<u>24,265</u>	<u>19,092</u>
<b>Non-Current</b>			
Loan - Secured		252,064	263,957
<b>11 Provisions</b>			
Provision for Long Service Leave		4,377	8,060
Provision for Annual Leave		13,346	9,450
Provision for Bonus		-	<u>15,000</u>
<b>Total provisions</b>		<u>17,723</u>	<u>32,510</u>
<b>12 Other Liabilities</b>			
<b>Current</b>			
Income in Advance		<u>-</u>	<u>53,001</u>
<b>13 Retained earnings</b>			
Retained earnings at the beginning of the financial year		835,084	781,127
Net profit/(Net loss) attributable to Members of the company		<u>(129,117)</u>	<u>53,957</u>
Retained earnings at the end of the financial year		<u>705,967</u>	<u>835,084</u>



Notes to the Financial Statements  
for the Year Ended 30 June 2009

Note	2009 \$	2008 \$
------	------------	------------

## 14 Leasing Commitments

### Operating Lease Commitments

Being for rent of office equipment payable:

Within one year	-	20,400.00
Total Operating Lease Liability	-	20,400.00

## 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 2009, the number of Members was 480 (2008: 629)

## 16 Key Management Personnel Compensation

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

### Non-Executive Directors

Gary Mottau (resigned 18 September 2008)  
Edward J Burgess (resigned 18 September 2008)  
Gregory J Murdoch  
Lia M Chinnery  
Michael G Milston  
Jason Gordon (appointed 18 September 2008)  
Barry Smith (appointed 18 September 2008)  
Simone Schwartz (appointed 18 September 2008)

### Executive Directors

Mark Ferguson (President)  
Paul Bennett (Vice President)  
Penny Holloway (Former President)  
David J Tuxford  
Andrew B Roach

### Executives

Annalisa Haskell (Chief Executive Officer)  
Juleen McTaggart (Former Chief Executive Officer)



**Notes to the Financial Statements  
for the Year Ended 30 June 2009**

	Note	2009 \$	2008 \$
Key management personnel compensation included in "personnel expenses" is as follows:			
		\$	\$
Short-term employee benefits		115,237	127,054
Post-employment benefits		10,371	11,844
Other long-term benefits		-	-
<b>Total compensation</b>		<u>125,609</u>	<u>138,898</u>

The Board reviews 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 Chief 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.

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.

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.

There were no amounts receivable or payable to related key management personnel and their related parties at balance date.

The remuneration of each key management personnel is as follows:

		Short Term Employee Benefits	Post Employment Benefits	Other Long- Term Benefits	Termination Benefits	Total
Juleen McTaggart (resigned 10 April 2009)	2009	101,091	9,098	-	-	110,189
	2008	39,697	3,573	-	-	43,270
Amanda Spalding (resigned 19 March 2008)	2009	-	-	-	-	-
	2008	87,357	8,271	-	-	95,628
Annalisa Haskell (appointed 25 May 2009)	2009	14,146	1,273	-	-	15,419
	2008	-	-	-	-	-





Notes to the Financial Statements  
for the Year Ended 30 June 2009

2009                      2008  
Note                      \$                              \$

**17 Additional Financial Instruments Disclosure**

- 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.
- 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.
- 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.

	Note	Weighted Average Interest Rate %	Floating Interest Rate \$	1 year or 1 to 5 years \$	Non -Interest Bearing \$	Total \$	
<b>2009</b>							
<b>Financial Assets</b>							
Cash Assets	6	5.50	238,666	-	-	500	239,166
Receivables	7	-	-	-	-	93,958	93,958
			238,666	-	-	94,458	333,124

**Financial Liabilities**

Payables	9	-	-	-	-	66,043	66,043
Secured Loans	10	7.91	81,191	5,940	189,197	-	276,328
			81,191	5,940	189,197	66,043	342,371

**2008**

**Financial Assets**

Cash Assets	6	6.50	502,906	-	-	500	503,406
Receivables	7	-	-	-	-	221,839	221,839
			502,906	-	-	222,339	725,245

**Financial Liabilities**

Payables	9	-	-	-	-	169,479	169,479
Secured Loans	10	7.94	94,837	7,824	180,388	-	283,049
			94,837	7,824	180,388	169,479	452,528



Notes to the Financial Statements  
for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<b>18 Reconciliation of Cash Flows From Operating Activities</b>			
Profit for the period		(129,117)	53,957
Depreciation		9,565	11,429
(Profit)/Loss on Disposal of Plant & Equipment		-	-
Interest accrued on Fixed Loan		10,185	-
(Increase)/Decrease in Receivables		33,257	(40,216)
Increase/(Decrease) in Trade Creditors and Accruals		(103,437)	95,082
Increase/(Decrease) in Income in Advance		(53,000)	(39,182)
Increase/(Decrease) in Provisions		(14,787)	17,513
		<u>(247,334)</u>	<u>98,583</u>

## 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 2009 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:   
Mark James Ferguson

Director:   
Paul Anthony Bennett

Dated at Sydney this 1st day of September 2009



## 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 2009.

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

### Basis for Qualified Auditor's Opinion

During the year, the company experienced instances of misappropriation of funds. As noted in the Review of Operations section of the Director's Report, these instances are subject to continuing investigations and possible legal action. The Directors have determined that, subject to the outcome of the investigations, the amounts in question (approximately \$58,000) will be carried in the balance sheet and these are included in other receivables and prepayments. However, we were unable to obtain appropriate audit evidence to satisfy ourselves as to the recoverability of these amounts.

### Qualified 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 2009 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 this 3<sup>rd</sup> day of September 2009**



Local Government Managers Australia (NSW)

**ABN 61 000 007 205**

25/8 Avenue of the Americas Newington NSW 2127

PO Box 6940 Silverwater NSW 2128

**P** 02 9648 1071

**F** 02 9648 1120

**W** [www.lgmansw.com.au](http://www.lgmansw.com.au)