

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

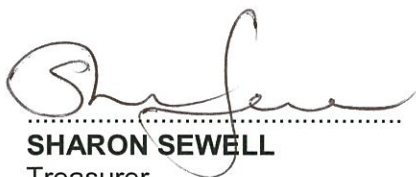
**STATE EXECUTIVE'S CERTIFICATE**

We, **STEPHEN BIRNEY** and **SHARON SEWELL**, being two members of the State Executive of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, do state on behalf of the State Executive, and in accordance with a resolution passed by the State Executive that:

- (i) In the opinion of the State Executive, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2012.
- (ii) In the opinion of the State Executive, meetings of the Executive were held during the year ended 31 December 2012, in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the State Executive, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996), or copies of those records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-Sections 517(1) and (5) of the Industrial Relations Act, 1991, in relation to the financial report in respect of the year ended 31 December 2012 and the Auditors' Report, thereon.



**STEPHEN BIRNEY**  
President



**SHARON SEWELL**  
Treasurer

15 APRIL 2013

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**ACCOUNTING OFFICER'S CERTIFICATE**

I, **GRAEME KELLY**, being the Officer responsible for keeping the accounting records of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, certify that as at 31 December 2012, the number of members of the Union was 33,206.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2012.
- (ii) A record has been kept of all monies paid by or collected from members, by duly authorised representatives of the Union and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the Union.
- (iii) Approval for expenditure incurred by the Union, was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the Industrial Relations Act, 1996.

  
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**GRAEME KELLY**  
General Secretary

15 APRIL 2013

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 DECEMBER 2012**

	<b>NOTE</b>	<b>2012 \$</b>	<b>2011 \$</b>
<b>INCOME</b>			
Contributions		12,412,994	12,398,416
Accommodation and Rent	4(a)	800,974	801,081
Distributions from Available-for-Sale Financial Assets		209,239	191,490
Dividends		148,767	134,227
Government Grants		-	21,479
Interest		607,723	650,723
Picnic Income		139,723	140,431
Rent		33,691	38,188
Superannuation Directors' Fees		200,312	189,693
Sundry Income		60,029	77,274
<b>TOTAL INCOME</b>		<b>14,613,452</b>	<b>14,643,002</b>
<b>LESS EXPENDITURE</b>			
<b>DEPRECIATION</b>		<b>965,931</b>	<b>822,856</b>
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Accrued Annual Leave		89,715	5,051
Sick Leave		193,640	74,798
Fringe Benefits Tax		104,864	92,890
Long Service Leave		63,863	9,465
Salaries - Officers and Staff	17	5,986,308	6,031,057
Superannuation		691,054	687,039
		<b>7,129,444</b>	<b>6,900,300</b>
<b>OTHER EXPENSES</b>			
Advertising Expense		5,815	6,364
Affiliation Fees		329,760	250,601
Annual Conference Expenses		244,639	95,145
Attendance Allowance – Other Organisations		3,129	2,436
Payment to AMACSU NSW Branch re National AMACSU Capitation Fees		791,798	801,931
Auditors Remuneration	16	49,550	49,050
Computer Expenses		71,602	73,426
Delegates, Executive and Organising Expenses		641,519	710,916
Donations		161,756	40,592
Electricity and Gas		62,831	53,584
Employee Assistance Expenses		53,492	97,842
General Administration Expenses		748,596	693,525
Honoraria		100,584	100,735
<b>Carried Forward</b>		<b>3,265,071</b>	<b>2,976,147</b>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	<b>NOTE</b>	<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
Brought Forward		3,265,071	2,976,147
Insurance		205,927	163,715
Lease of Office Equipment and Property		315,110	275,432
Legal and Professional Expenses		330,922	115,652
Marketing and Promotions		376,426	330,899
Mortality Benefit		70,910	106,893
Motor Vehicle Expenses		332,205	327,749
OH & S Costs		21,724	21,559
Payroll Tax		310,929	326,961
Postage		153,869	164,067
Printing, Stationery and Advertising		131,601	173,335
Property Expenses		260,384	234,446
Picnic Expenses		147,967	142,044
Telephones (including Mobiles)		306,022	278,747
Training Expenses		112,034	104,623
Union Magazines		138,896	118,477
Women's Committee and Conference		16,329	7,177
		<u>6,496,326</u>	<u>5,867,923</u>
<b>TOTAL EXPENDITURE</b>		<u>14,591,701</u>	<u>13,591,079</u>
<b>OPERATING SURPLUS FOR THE YEAR – GENERAL FUND</b>		21,751	1,051,923
Surplus/(Deficit) on Disposal of Assets		(189,464)	34,612
		<u>(167,713)</u>	<u>1,086,535</u>
<b>NET (DEFICIT)/SURPLUS FOR THE YEAR</b>		<u>(167,713)</u>	<u>1,086,535</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Net Increase/(Decrease) in Available-for-Sale Assets		<u>657,104</u>	<u>(235,030)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>489,391</u>	<u>851,505</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	<b>NOTE</b>	<b>2012</b> \$	<b>2011</b> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	698,589	807,599
Trade and Other Receivables	7	306,919	190,366
Other Financial Assets	10	17,221,543	17,588,978
<b>Total Current Assets</b>		<u>18,227,051</u>	<u>18,586,943</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	<u>9,653,771</u>	<u>8,663,695</u>
<b>Total Non-Current Assets</b>		<u>9,653,771</u>	<u>8,663,695</u>
<b>TOTAL ASSETS</b>		<u>27,880,822</u>	<u>27,250,638</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	8	804,516	1,017,239
Employee Benefits	9	3,167,640	2,819,206
<b>Total Current Liabilities</b>		<u>3,972,156</u>	<u>3,836,445</u>
<b>Non-Current Liabilities</b>			
Employee Benefits	9	<u>75,332</u>	<u>70,252</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>75,332</u>	<u>70,252</u>
<b>TOTAL LIABILITIES</b>		<u>4,047,488</u>	<u>3,906,697</u>
<b>NET ASSETS</b>		<u>23,833,333</u>	<u>23,343,942</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Accumulated Funds		23,631,682	23,799,395
Available-for-Sale Investment Reserve	18	<u>201,651</u>	<u>(455,453)</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>		<u>23,833,333</u>	<u>23,343,942</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>Accumulated Funds</b>	<b>Available- for-Sale Investment Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2011</b>	22,271,860	(220,423)	22,492,437
Net increase/(decrease) in value of Available-for-sale assets	-	(235,030)	(235,030)
Net surplus/(deficit) for the Year	1,086,535	-	1,086,535
<b>Balance at 31 December 2011</b>	23,799,395	(455,453)	23,343,942
Net increase/(decrease) in value of Available-for-sale assets	-	657,104	657,104
Net surplus/(deficit) for the Year	(167,713)	-	(167,713)
<b>Balance at 31 December 2012</b>	<u>23,631,682</u>	<u>201,651</u>	<u>23,833,333</u>

(The attached notes form part of these financial statements)

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 31 DECEMBER 2012**

	<b>NOTE</b>	<b>2012</b> \$	<b>2011</b> \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributions and Levies from Members		12,412,994	12,398,416
Receipts from Customers		783,052	790,060
Payments to Suppliers and Employees		(13,601,531)	(12,614,061)
Interest Received		557,012	586,431
Rent Received		61,933	60,031
Other Receipts		<u>538,511</u>	<u>552,282</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	22(b)	<u>751,971</u>	<u>1,773,159</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net Payment for Property, Plant and Equipment		(2,145,472)	(603,710)
Net Received/(Payment) for Investments		<u>1,284,492</u>	<u>(1,081,882)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(860,980)</u>	<u>(1,685,592)</u>
<b>NET INCREASE IN CASH HELD</b>		(109,009)	87,567
Cash and cash equivalents at beginning of year		<u>807,599</u>	<u>720,032</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	22(a)	<u>698,589</u>	<u>807,599</u>

(The attached notes form part of these financial statements)



**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial report is for the entity New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, as an individual entity ("Union"). The New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union for the year ended 31 December 2012 was authorised for issue in accordance with a resolution of the State Executive Committee on 15 April 2013.

**Basis of Preparation**

The financial report has been prepared in accordance with the New South Wales Industrial Relations Act, 1996 and the significant accounting policies described below.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Revenue**

The Union recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union's activities as discussed below.

Contributions and Government Grants are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the financial statements.

Distributions from managed funds are recognised as income when declared and are then reinvested.

Interest is accounted for on an accruals basis.

**(b) Income Tax**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Freehold land and buildings are measured on a cost basis.

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

Cost includes expenditure that is directly attributable to the asset.

*Depreciation*

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated. The depreciation rates used for each class of asset are:

Buildings	2.5%
Office Furniture and Equipment	5% - 33.33%
Motor Vehicles	22.5%

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

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is disposed off.

**(d) Impairment of Non-Financial Assets**

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**(e) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(f) Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

**(g) Investments**

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

*Available-for-sale financial assets*

Investments, which are classified as available-for-sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until, based on objective evidence, an available-for-sale financial asset is determined to be impaired at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

Collectability of receivables is assessed on an ongoing basis. Receivables which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence (such as significant financial difficulty or delay in payment) that the Union will not be able to collect all amounts according to original terms.

*Aquatic Complex*

The assets and liabilities and the income and expenses of the aquatic complex in Port Macquarie has been disclosed on a consolidated basis in the financial statements.

**(h) Accounting Standards Issued But Not Yet Effective**

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW), the attention of members is drawn to the provisions of sub-sections (1) and (2) of section 512 which read as follows:

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

**3. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**(b) Critical judgements in applying the Union's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>4. AQUATIC COMPLEX</b>		
<b>(a) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012</b>		
<b>INCOME</b>		
Accommodation and Rent	800,974	801,081
Interest	367	1,088
Catering (Motel)	4,123	4,394
Telephone (Motel)	40	101
Laundry Commission and Linen	6,157	6,327
Sundry	-	-
<b>TOTAL INCOME</b>	<u>811,661</u>	<u>812,991</u>
<b>LESS EXPENDITURE</b>		
Depreciation	<u>88,733</u>	<u>113,224</u>
<b>Employee Benefits Expense</b>		
Accrued Annual Leave	363	235
Fringe Benefits Tax	10,800	10,800
Long Service Leave	5,883	4,907
Salaries – Staff	267,468	258,176
Sick Leave	5,618	4,888
Superannuation	<u>23,741</u>	<u>23,231</u>
	<u>313,873</u>	<u>302,237</u>
<b>Other Expenses</b>		
Austar	7,807	7,706
Auditors Remuneration	6,300	6,000
Bank Charges	3,577	4,969
Catering (Motel)	5,498	7,227
Domestic Supplies	13,224	15,216
Discount - Non Members	12,256	15,720
Electricity and Gas	62,831	53,584
Land Tax	52,304	57,700
Payroll Tax	14,934	15,367
Printing, Stationery and Advertising	5,230	7,053
Rates and Taxes (Council and Water)	39,796	39,931
Repairs, Replacements and Maintenance	23,156	34,126
Sundries and Other Expenditure	17,630	22,223
Telephone (Other)	22,740	22,879
Telephone (Motel)	-	-
	<u>287,284</u>	<u>309,701</u>
<b>TOTAL EXPENDITURE</b>	<u>689,890</u>	<u>725,162</u>
<b>OPERATING SURPLUS FOR THE YEAR</b>	<u>121,771</u>	<u>87,829</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	<b>Note</b>	<b>2012 \$</b>	<b>2011 \$</b>
<b>4. AQUATIC COMPLEX (cont'd)</b>			
<b>(b) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	(e)	222,408	86,155
Receivables	(f)	10,094	9,441
<b>Total Current Assets</b>		<u>232,502</u>	<u>95,596</u>
<b>Non-Current Assets</b>			
Land and Buildings (At Cost)		3,234,804	3,234,804
Less Accumulated Depreciation on Buildings		(1,445,993)	(1,407,440)
Equipment (At Cost)		524,046	514,773
Less Accumulated Depreciation		(382,044)	(331,866)
<b>Total Non-Current Assets</b>	(c)	<u>1,930,813</u>	<u>2,010,271</u>
<b>TOTAL ASSETS</b>		<u>2,163,315</u>	<u>2,105,867</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provision for Accrued Annual Leave		11,538	11,173
Provision for Long Service Leave		47,433	41,549
Payables	(g)	163,031	149,268
Sick Leave		49,236	43,618
<b>Total Current Liabilities</b>		<u>271,238</u>	<u>245,608</u>
<b>TOTAL LIABILITIES</b>		<u>271,238</u>	<u>245,608</u>
<b>NET ASSETS</b>		<u>1,892,077</u>	<u>1,860,259</u>

**(c) MOVEMENTS IN CARRYING AMOUNTS - NON CURRENT ASSETS**

	<b>Land and Buildings \$</b>	<b>Equipment \$</b>	<b>Total \$</b>
Balance at 1 January 2012	1,827,364	182,907	2,010,271
Additions		9,275	9,275
Disposals	-	-	-
Depreciation	(38,553)	(50,180)	(88,733)
Balance at 31 December 2012	<u>1,788,811</u>	<u>142,002</u>	<u>1,930,813</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	Note	2012 \$	2011 \$
<b>4. AQUATIC COMPLEX (Cont'd)</b>			
<b>(d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		783,052	790,060
Payments to Suppliers and Employees		(576,181)	(590,959)
Interest Received		367	1,088
Rent Received		<u>28,242</u>	<u>21,843</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	(d)(ii)	<u>235,480</u>	<u>222,032</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for Property, Plant and Equipment		<u>(9,275)</u>	<u>(49,675)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(9,275)</u>	<u>(49,675)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Payments to General Fund		<u>(89,952)</u>	<u>(272,881)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<u>(89,952)</u>	<u>(272,881)</u>
<b>NET (DECREASE) IN CASH HELD</b>		136,253	(100,524)
Cash at 1 January 2012		<u>86,155</u>	<u>186,679</u>
<b>CASH AT 31 DECEMBER 2012</b>	(d)(i)	<u>222,408</u>	<u>86,155</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	2012 \$	2011 \$
<b>4. AQUATIC COMPLEX (Cont'd)</b>		
<b>(d) NOTES TO THE STATEMENT OF CASH FLOWS</b>		
(i) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.		
Cash on Hand	900	900
Cash at Bank	221,508	85,255
	<u>222,408</u>	<u>86,155</u>
<b>(ii) RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH NET SURPLUS</b>		
<b>Net Surplus</b>	121,771	87,829
<b>Non-Cash Flows In Net Surplus</b>		
Depreciation	88,733	113,224
<b>Changes in Assets and Liabilities</b>		
Increase / (Decrease) in Debtors	(652)	696
Increase in Employee Entitlements Provision	11,865	10,029
Increase in Creditors & Accruals	15,046	10,630
(Decrease) in GST Payable	(1,283)	(376)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>235,480</u>	<u>222,032</u>
<b>(e) CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	900	900
Cash at Bank	221,508	85,255
	<u>222,408</u>	<u>86,155</u>
<b>(f) RECEIVABLES</b>		
Sundry Debtors	10,094	9,441
	<u>10,094</u>	<u>9,441</u>
<b>(g) PAYABLES</b>		
Sundry Creditors and Accruals	147,697	132,652
GST Payable	15,334	16,616
	<u>163,031</u>	<u>149,268</u>



**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	2012 \$	2011 \$
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and Buildings</b>		
At cost		
Level 7, 321 Pitt St. Sydney	2,438,147	2,438,147
Level 8, 321 Pitt St Sydney	1,916,120	1,916,120
Levels 7 & 8, 321 Pitt St Sydney - Building	746,635	-
Improvements		
86 Lawson St Newcastle	590,995	590,995
2 & 3/100 Market St. Wollongong	359,524	359,524
1/157 Gordon St Port Macquarie	94,697	94,697
Shop 3, 4-12 Queen Elizabeth Drive Armidale	71,476	71,476
Shops 11 & 12, 142 William St Bathurst	95,934	95,934
55-61 Prince St Grafton	61,804	61,804
2/46 Church St Dubbo	180,558	180,558
7/56 Fitzmaurice St, Wagga Wagga	60,638	60,638
1/100 Market St. Wollongong	400,930	400,930
Aquatic Complex – Port Macquarie	3,234,804	3,234,804
	<u>10,252,262</u>	<u>9,505,627</u>
Less: Accumulated Depreciation	<u>(3,047,818)</u>	<u>(2,782,101)</u>
<b>Total Land and Buildings</b>	<u>7,204,444</u>	<u>6,723,526</u>
<b>Office Furniture and Equipment</b>		
At Cost	2,921,492	2,131,344
Less: Accumulated Depreciation	<u>(1,539,899)</u>	<u>(1,525,172)</u>
<b>Total Office Furniture and Equipment</b>	<u>1,381,593</u>	<u>606,172</u>
<b>Motor Vehicles</b>		
At Cost	1,825,103	1,968,438
Less: Accumulated Depreciation	<u>(757,369)</u>	<u>(634,443)</u>
<b>Total Motor Vehicles</b>	<u>1,067,734</u>	<u>1,333,995</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>9,653,771</u>	<u>8,663,695</u>

During the year, the land and buildings owned by the Union were valued by an independent valuer. The fair value of the properties was determined to be between \$12,845,000 and \$14,065,000 (depending on how the properties are parcelled). Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

**MOVEMENTS IN CARRYING AMOUNTS**

	<b>Land and Buildings</b>	<b>Office Furniture and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2012</b>	6,723,526	606,172	1,333,995	8,663,693
Additions	746,635	1,555,420	677,637	2,979,692
Disposals	-	(446,076)	(577,608)	(1,023,683)
Depreciation	(265,717)	(333,923)	(366,291)	(965,931)
<b>Balance at 31 December 2012</b>	<u>7,204,444</u>	<u>1,381,593</u>	<u>1,067,734</u>	<u>9,653,771</u>
			<b>2012</b>	<b>2011</b>
			<b>\$</b>	<b>\$</b>

**6. CASH AND CASH EQUIVALENTS**

Cash on Hand	1,700	1,700
Cash at Bank	283,657	606,177
Cash Held by Branches	190,824	113,567
Cash Held by Aquatic Complex	222,408	86,155
	<u>698,589</u>	<u>807,599</u>

**7. Trade and Other Receivable**

**Current**

Trade Debtors	43,310	50,869
Prepayments	164,868	109,543
Sundry Debtors	88,647	20,513
Sundry Debtors – Aquatic Complex	10,094	9,441
	<u>306,919</u>	<u>190,366</u>

**8. PAYABLES**

Sundry Creditors and Accruals	506,066	691,119
Sundry Creditors – Aquatic Complex	163,031	149,268
GST Payable	135,419	176,852
	<u>804,516</u>	<u>1,017,239</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

		<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
<b>9. EMPLOYEE BENEFITS</b>			
<b>Current</b>			
Provision for Sick Leave		922,702	729,061
Provision for Annual Leave		639,112	549,396
Provision for Long Service Leave		1,605,826	1,540,749
		<u>3,167,640</u>	<u>2,819,206</u>
<b>Non-Current</b>			
Provision for Long Service Leave		75,332	70,252
		<u>75,332</u>	<u>70,252</u>
<b>10. Other Financial Assets</b>			
Investment General Fund	11	13,241,502	13,869,185
Building Fund	12	1,778,754	1,683,035
Long Service Leave Fund	13	1,780,406	1,678,881
Mortality Fund	14	264,008	251,717
Other Investments		156,873	106,160
		<u>17,221,543</u>	<u>17,588,978</u>
<b>11. INVESTMENT – GENERAL FUND CURRENT</b>			
<b>Cash and Cash Equivalents</b>			
Cash Deposits		955,837	541,276
Term Deposit		4,986,898	6,939,145
<b>Available-For-Sale Financial Assets</b>			
Shares in Listed Companies (at fair value)	15	2,535,788	1,974,142
Managed Funds (at fair value)	15	2,323,859	2,155,972
Investments in Bonds (at fair value)	15	2,439,120	2,258,650
		<u>13,241,502</u>	<u>13,869,185</u>
<b>12. INVESTMENTS - BUILDING FUND CURRENT</b>			
<b>Available-For-Sale Financial Assets</b>			
Managed Funds (at fair value)	15	1,778,754	1,683,035
<b>13. INVESTMENTS – LONG SERVICE LEAVE FUND CURRENT</b>			
<b>Cash and Cash Equivalents</b>			
Cash Deposit		1,780,406	1,678,881

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**14. INVESTMENTS - MORTALITY FUND**

**CURRENT**

**Cash and Cash Equivalents**

Cash Deposits	264,008	251,717
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**15. AVAILABLE - FOR - SALE FINANCIAL ASSETS**

Shares in Listed companies (at fair value)	2,535,788	1,974,142
General Fund Managed Funds (at fair value)	2,323,859	2,155,972
Building Fund Managed Funds (at fair value)	1,778,754	1,683,035
Investment in Bonds (at fair value)	2,439,120	2,258,650
	<u>9,077,521</u>	<u>8,071,799</u>

**16. AUDITORS' REMUNERATION**

Auditing the Financial Statements	40,000	40,000
Other Services	1,250	3,050
Prior Year Audit Fee	2,000	-
Aquatic Complex Audit Fee	6,300	6,300
	<u>49,550</u>	<u>49,050</u>

**17. SALARIES - OFFICERS AND STAFF**

Elected Officers	125,969	133,088
Officials	4,289,773	3,929,634
Administration Staff	1,303,098	1,710,159
Aquatic Complex Staff	267,468	258,176
	<u>5,986,308</u>	<u>6,031,057</u>

**18. RESERVES**

**Available-for-Sale Investment Reserve**

Opening Balance	(455,453)	(220,423)
Change in fair value during the year	657,104	(235,030)
	<u>201,651</u>	<u>(455,453)</u>

This reserve records unrealised gains and losses on Available-for-Sale Investments which are measured at fair value.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	2012	2011
	\$	\$
<b>19. OPERATING LEASE COMMITMENTS</b>		
In respect of office equipment and property, payable:		
- not later than 1 year	276,553	158,545
- later than 1 year but not later than 5 years	887,110	481,315
	<u>1,163,663</u>	<u>639,860</u>

**20. SUPERANNUATION**

Employees of the Union are entitled to benefits from superannuation plans on retirement, disability or death. The Union participated in four employer sponsored superannuation plans, one of which, the Local Government Superannuation Scheme is a defined benefit plan. The Scheme has advised that the assets and liabilities of the Union's employees are pooled with those of other employers. The Scheme has further advised that it is impractical to separate employers without additional cost to the employer. As a consequence the Union has elected to take the exemption allowed under AASB 119 and treat the Scheme for financial reporting purposes as a defined contribution scheme.

The other superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans.

**21. RELATED PARTY TRANSACTIONS**

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$23,592 (2011: \$29,165).
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	2012	2011
	\$	\$
<b>22. CASH FLOW INFORMATION</b>		
(a) For the purposes of the statement of cash flows, cash includes:		
Cash on hand and at call deposits with banks and financial institutions.		
Cash is shown in the statement of financial position as:		
Cash on Hand	1,700	1,700
Cash at Bank	283,657	606,177
Cash Held by Branches	190,824	113,567
Cash on Hand – Aquatic Complex	900	900
Cash at Bank – Aquatic Complex	221,508	85,255
	<u>698,589</u>	<u>807,599</u>
(b) Reconciliation of cash flow from operations with operating results:		
<b>Net (Deficit)/Surplus - General Fund</b>	(167,713)	1,086,535
<b>Non-Cash Flows in Operating Results</b>		
Depreciation	965,931	822,856
(Surplus)/Loss on Sale of Assets	189,464	(34,612)
Reinvestment of income from managed funds	(209,239)	(191,490)
<b>Changes in Assets and Liabilities</b>		
Decrease/(Increase) in Sundry Debtors and Prepayments	(45,089)	29,334
Increase in Accrued Interest	(50,711)	(64,292)
Increase in Employee Entitlement Provisions	353,515	153,055
Decrease in Sundry Creditors & GST Payable	(284,186)	(28,227)
<b>CASH FLOW FROM OPERATIONS</b>	<u>751,971</u>	<u>1,773,159</u>

**NEW SOUTH WALES LOCAL GOVERNMENT, CLERICAL,  
ADMINISTRATIVE, ENERGY, AIRLINES & UTILITIES UNION**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

**23. FINANCIAL RISK MANAGEMENT**

*a) Fair value estimation*

For details regarding the fair value of available-for-sale assets and assets carried at fair value, refer to Notes 9 to 13. The carrying value of receivables, net of impairment provisions, and payables are assumed to approximate their fair values due to their short-term nature.

Units in managed funds are carried at the current unit price for redemption of those units with the funds.

**24. EVENTS AFTER THE END OF THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

**25. CONTINGENT LIABILITIES**

	2012	2011
	\$	\$
Estimate of the maximum amount of contingent liabilities that may become payable:		
A claim has been brought against the Union by a former employee and executive member in relation to workers compensation. The amount disclosed is based on the maximum amount that the Union may be liable for.	-	225,000
The Union does not have any other contingencies at 31 December 2012		

**26. UNION DETAILS**

The Registered Office of the Union is:

Level 7  
321 Pitt Street  
SYDNEY NSW 2000

## **New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union**

# **Independent Audit Report to the members of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union**

### **Report on the Financial Report**

We have audited the accompanying financial report of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the state executive's certificate and accounting officer's certificate.

### *State Executive and General Secretary's Responsibility for the Financial Report*

The State Executive and General Secretary of the union are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 of the financial report are appropriate to meet the requirements of the Industrial Relations Act 1996 and are appropriate to meet the needs of members. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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



**New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union**

**Independent Audit Report to the members of New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union**

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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Industrial Relations Act 1996.

*Opinion*

In our opinion, the financial report of the New South Wales Local Government, Clerical, Administrative, Energy, Airlines & Utilities Union is in accordance with Australian Accounting Standards and the Industrial Relations Act 1996, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards and the Industrial Relations Act 1996.

Bentleys NSW Audit Pty Ltd



Robert Evett  
Director  
Sydney

Date 15 APRIL 2013