

ANNUAL REPORT 2013/14



LOCAL GOVERNMENT
MANAGERS AUSTRALIA
QUEENSLAND INC.

LGMA QUEENSLAND

Vision

To be a representative and effective professional association for Queensland local government officers.

Mission

LGMA Queensland has committed to continuous enhancement of the professionalism of the sector and strives to achieve excellence in leadership and management in Queensland local government.

LGMA Queensland will lead, represent and support local government managers: providing relevant and quality professional development opportunities; and actively contributing to the advancement of local government in Queensland.

In order to achieve this mission, LGMA Queensland has as its guiding roles:

- Representing the interests of members through representation to government, industry and other stakeholders;
- The provision of information and advice to members;
- Commissioning and publishing research into issues of interest to the sector;
- Facilitating communication and fellowship with, and between, members and stakeholders;
- The provision of, or links to, expert information and advice on a range of issues; and
- The provision of relevant development opportunities to pursue leadership and management excellence within the sector.

To achieve this, LGMA Queensland has shaped itself as:

A vibrant and innovative organisation, active and visible in the local government sector, connected to its members and partners and continuously adding value to Queensland local government through its individuals.

In all its activities, LGMA Queensland adheres to the principles of:

- Professionalism and competence;
- Honesty and integrity;
- Independence of thought and action;
- Consultation and inclusion;
- Ethical treatment of individuals and the environment;
- Fairness and equity; and
- Innovation and creativity.

LGMA Queensland measures its performance annually through a range of performance measures as reported in its Annual Report.

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BOARD OF MANAGEMENT



Mark Crawley FLGMA
Charters Towers Regional Council
President



Cale Dendle MLGMA
Gladstone Regional Council
Vice President



Ray Burton FLGMA
Townsville City Council
Director



Michelle Clarke MLGMA
Townsville City Council
Director



Mark Watt FLGMA
Longreach Regional Council
Director



Warren Collins MLGMA
Cherbourg Shire Council
Director



Arun Pratap MLGMA
Townsville City Council
Treasurer



Susan Jarvis MLGMA
Blackall-Tambo Regional Council
Director

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PRESIDENT'S REPORT

Twelve months passes so quickly these days. It does not seem like only twelve months ago that we were in the historic and fantastically renovated Brisbane City Hall. What a great venue for the 2013 Conference and a humbling moment as I became your State President and received the Maroon Jacket and President's Medallion.

The Queensland President's Medallion was presented to the Queensland Division by the Australian and Queensland President, Mr. Peter Burow PSM, in 1988.

I was extra humbled when I got home and had an opportunity to look at the Medallion for it was Peter who encouraged me to become more actively involved in the Institute (as it was known then) and he who nominated me for my first executive position on the CQ Branch.

Receiving the Jacket, Medallion and becoming your President was an experience that will remain a fond memory for many years.

The 2014 Conference in the Bunya Mountains will be a very different experience to conferences in the past and I am looking forward to the new format. Peta and the team have put together a well-structured programme to stimulate discussion and explore new perspectives on issues effecting local government. An excellent selection of facilitators and keynote speakers has been drawn together for this event and will lead the engaging discussion and strategic focus.

During the year, we officially welcomed four new Councils as they became operational from 1 January 2014 following the de-amalgamation process. Welcome Noosa, Livingstone, Douglas and Mareeba; we are already hearing great news stories from your Councils, so well done to all involved.

The Awards for Excellence, recognising outstanding achievement in Queensland Local Government, was held at the Novotel Hotel in April. This gala event was well attended and a great cross-section of nominations were received. The projects presented for nomination are testament to the dedication and innovation shown by council staff and teams working across Queensland. Congratulations to Gladstone Regional Council (Sustainability), Logan City Council (Collaboration), Bundaberg Regional Council (Innovation), Greg Curtis, Banana Shire Council (Above and Beyond) and Redland City Council (Teamwork).

LGMA Queensland had challenging and unpredictable 12 months where, during the year, we had cause to cancel the Southern Queensland branch conference due to insufficient numbers and some others were close calls. This could be testament to the busy times within the sector at present. On the other hand, the CQ branch conference, after very slow registrations, was a great event with strong attendance and participation from across the region.

Despite the unpredictability of attendance, we have conducted three separate Rural Management Challenges run in the regional centres of St. George, Biloela and Charters Towers. The 2014 LGMA Queensland Management Challenge was run at the Mount Cotton Training Centre and, as we all know, Cairns Regional Council was the winner. Well done Cairns Regional Council, well deserved. Cairns then went on to represent Queensland at the National Management Challenge event in Melbourne.

Ten separate village forums were held during the year along with a social media in community engagement forum, a 'Working with Psychopaths' workshop, the Local Government Finance Professionals forum (on behalf of LGFP), an Executive Management Programme and a number of CEO forums. The professional development programmes continued through the year also with Ignite and Future Leaders being well attended. Our council at Charters Towers has certainly benefited from the attendance at the programmes run by LGMA Queensland.

I trust that most council's are now well underway with their review of services. The minister has provided the funding to allow each of the 77 councils to obtain access to the Service Review Toolkits from SmartGov and provide funds to allow LGMA Queensland to run a number of workshops throughout the regions to see how we are all going with this process and to report back.

This will provide councils with an opportunity to highlight services that local government may wish to exit in accordance with the outcome from the Minister's Roundtable that was run in Townsville. There are many things that we do in local government that do not provide value or service to the communities and are undertaken simply to satisfy a legislative requirement. I hope that the review process will highlight these and lead us to the question of: should we continue to do this?

Unfortunately, I see more change coming for the sector in the future. Reduced levels of funding from State and Federal Government are akin to the impacts being experienced by local government in the United Kingdom. Some of the measures that have been deployed in UK councils are very innovative and will require considerable community support. Community run libraries and parks are not uncommon in some centres.

LGMA Queensland and LGAQ are working on renewing Executive Contracts and we continue to have reciprocal representation at Board and Policy Executive Meetings. This has worked well and provides an opportunity to apprise each other of the issues affecting local government, from an operational and political level. Each of the peak bodies representing local government will need to be working closer in the future to ensure the sector's continued success.

Can I acknowledge the support and work of the Board in representing you and thank Deputy President, Cale Dendle (Gladstone Regional Council), Treasurer, Arun Pratap (Toowoomba Regional Council), Ray Burton and Michelle Clarke (Townsville City Council), Warren Collins (Cherbourg Aboriginal Shire Council), Mark Watt (Longreach Regional Council) and Susan Jarvis (Blackall-Tambo Regional Council).

I would like to thank Cale Dendle and John Oberhardt for their continued representation on the LGMA National Board. They represent Queensland well at the national level and keep the Board apprised of the happening in the national body.

LGMA Queensland continues to have a good and open relationship with our minister, the Hon David Crisafulli MP. We meet as needs with the Minister and the Department and have continued to enjoy a very professional and respectful relationship; we thank David for his continued support.

We continue to enjoy a good financial position with a positive result during a challenging period. Good financial reserves are available should we encounter any financial challenges in the future. The Board takes its role in managing the financial position of the organisation seriously and is conservative as we review and consider any new opportunities.

A very big thank you to our CEO, Peta Irvine. Her support provided to me as President is appreciated. Peta is a large part of the strength that is LGMA Queensland and the reason we are financial and the envy of many of the other State organisations. Thanks also to Robyn Walker and all of the LGMA Queensland team.

I have enjoyed the opportunity to represent LGMA Queensland and representing the sector as State President and thank you for the opportunity and support to commence a second year in that role.

On a further note I would like to thank the Charters Towers Regional Council for their support that enables me to represent you in my role as your President



**Mark Crawley FLGMA
President**

Each of the peak bodies representing local government will need to be working closely in the future to ensure the sector's continued success.



CEO'S REPORT

Another year has come and gone in the life of Local Government Managers Australia Queensland. It brought some clear successes and clarified some recent trends. It saw new members become part of the team and some long term members depart (most often out of the sector or to other states). It also highlighted some clear shifts in the way senior officers' roles are evolving and led to associated shifts in direction from the Board of Management.

In 2014, the shift away from conferences and events and towards more targeted professional development was starkly evident. This shift started to gain momentum in 2008 and, with only a few exceptions to prove the rule, has continued fairly steadily to the current day. Recognising this, LGMA Queensland has been altering its programme and offerings for many years; branch conferences and the state conference were shortened, more efforts were made to group events and programmes were adjusted.

With the trend away from conferencing firmly set, in 2013/14 the decision was made to cease branch events in their current format. The branch conferences have been generally poorly attended and the primary purpose for attending (collaboration with colleagues) can be better achieved through other avenues. LGMA Queensland will continue to offer a wide range of events in regional areas but, if we are to be successful in meeting the needs of members and offer financially sustainable services, we need to be smarter about how we offer these. More collaboration with partners, greater direct liaison with subscriber councils and clear linkages with other activities will all be important parts of our events in coming years.

Our Events

In the events programme, the 2014 Future Leaders Forum was a major highlight with good attendance and excellent reviews by participants. The programme was focused on developing self-awareness and a better understanding of the impacts of your own behaviour. It sought to encourage delegates to take responsibility for their own attitudes, thinking, approaches and development. Learning that we believe is critical for all future leaders in the sector.

The Awards for Excellence continued to grow with strong nominations and excellent attendance for the Awards dinner. Some of the criteria will be tweaked for 2015 to make expectations clearer and the application process easier. In 2015, the Innovation, Collaboration and Young Manager of the Year Awards will, for the first time, also feed into national awards run by the LGMA Federation. This should enhance their appeal further.

The Annual Conference in Brisbane was also well received although not as well attended as we would have hoped given the central location. In fact, despite the difficulties of travel, we are finding that we generally get better attendance for major events in regional areas than we do for urban events (with the exception of the Sunshine Coast). Having said that, the make-up of attendees is different based on the location of the event with SEQ councils more likely to support a local event than to support events requiring travel while regional and remote councils will travel in either case but will send greater numbers to regional events where the accommodation and other expenses are often lower and they can support like councils.

Our Professional Development

Professional development and training has been the big success story for LGMA Queensland and has consistently grown as a means of engaging new faces with the organisation and as a proportion of our revenue. The Executive Management Programme, now over a decade old, continues to offer insight into the role of a CEO to aspiring and new CEOs. Through continual renewal of the material, this programme has remained relevant and effective. The Ignite Programme has also been successful with participants and managers alike reporting clear and measureable benefits from attendance.

The 2014 Future Leaders Forum was a major highlight with good attendance and excellent reviews by participants.

Our in-house programme is ticking along nicely with each programme tailored for the needs of the organisation hosting the training. In the past year, LGMA Queensland staff have worked with a number of councils on matters as diverse as managing conflicts, reporting to council, ethics, mentoring and our ever-popular, leadership boot camp. We have also done some work with leadership teams on managing their relationships, creating effective council meetings and discussion and troubleshooting issues. This in-house programme is an area that will continue to grow and is only limited by our capacity to deliver. The 2013-14 seminar programme was also quite varied and successful both from an attendance and financial perspective.

On the down side, for the first time since inception we did not have sufficient interest to run a Propeller Programme intake this year. We have had internal discussion for some time about the delivery method and associated costs and will take the opportunity to review the programme and adjust to better suit the changing needs of members and their employer councils. The Management Masterclass and the Mentoring Programme were also postponed due to insufficient interest. Timing was a critical issue in the first of these and marketing in the second. While LGMA Queensland has extended its reach considerably in the past 5 years, we still rely on members to pass on information regarding programmes. The target market for programmes such as the Mentoring Programme is generally people who report to members rather than members themselves, so getting the information to these people is critical and was a limiting factor in this instance. The programme does represent our first foray into the world of online delivery and we believe we have struck the right balance between online and face-to-face; ensuring participants get the benefit of both. We will run this programme in the near future.

Our Forums

The Indigenous Councils CEO Forums continue to fill a need and are well subscribed. Most councils attend each of the three events held each year and the discussion has been fruitful; ensuring consistency of message and allowing for clarification when required, facilitating the sharing of experience and skills and creating a forum for CEOs to work collectively on issues. The Minister for Local Government, David Crisafulli, joined the group for one of these meetings and provided a clear picture of his priorities for the future and the Director General has also attended as have a range of representatives from other departments.

The CEO Forums are less well attended with generally a third of councils represented. However, the conversation has been highly informative and quite wide-ranging. They provide good insight into current trends and challenges and allow participants to learn from the experiences of others around the state. The IR agenda continues to be a critical issue for this group and the need to stay informed and on the front foot was clearly expressed.

It would be remiss of me not to mention the Villages. Village attendance continues to be patchy. Intuitively and from feedback from officers, we know that there is great scope for these to deliver opportunities to members – both in the form of technical training and through networking with officers doing similar roles. However, we clearly have not got the formula right yet. Whether this is the programme topics, the locations or the event formats, we have yet to determine. Some events are highly successful and others fail but there is no consistency in terms of which or why. We will persevere with this as we know they fill a need but we will look for officers to take more leadership of the programmes in the coming year.

Our Members

2013/14 was a tough year for membership – not in terms of our member numbers, which are very stable, but in terms of turnover in the sector. Despite the turnover of a third of CEOs around the time of the last election, at one point in the year, we had 11 CEO vacancies. This level of turnover is unsettling for the sector, is difficult for the individuals involved and their families, staff and teams and is also very difficult for us at LGMA Queensland. While we can offer support and advice to ensure that officers receive appropriate compensation, get proper legal and tax advice and have opportunities to look at other options, we cannot prevent the terminations from occurring. There is an increasing sense of helplessness that comes with each new announcement of a CEO moving on.

The Indigenous Councils CEO Forums continue to fill a need and are well subscribed.

LGMA Queensland will continue to work with LGAQ and the State Government to seek remedies to address this trend but, more importantly, we are looking for ways to better inform and prepare both officers and elected members for the roles they take on and move towards increased clarity and consistency of expectations. Regrettably, we cannot mandate training and two-way discussion but we can work with our members, LGAQ and those councils that choose to invite us in to move this programme forward.

In this regard, 2014 represented a line in the sand. Since the election of the current State Government and introduction of amended legislation, we have seen many changes in the approach of elected members to their role. Some of these changes are very positive and are embraced by communities, others have created expectation gaps between experienced officers and their elected members. None of these matters are black and white or right and wrong. More importantly, they are not going to change in the near future. So, while we might continue to work quietly, behind the scenes, to improve clarity in the legislative environment, as the representative of professionals in the sector, LGMA Queensland has a clear role in working with officers to assist them to manage more effectively in the current environment. We know from the discussion we have had with members, and CEOs in particular, that local government can only function well where there is mutual respect between elected members and officers. A lack of clarity and inconsistency in expectations detracts from the development of trust and respect and must be addressed if we are continue to move the sector in Queensland forward. So in 2014, LGMA Queensland commenced a range of work that will help with this process and will be rolled out over the coming year.

Our Financial Performance

Financially, 2014 was a solid year. We ended the year ahead of budget, reporting a surplus of \$17,503. Our asset base continues to grow at a moderate but steady rate. Analysis of our financial performance over the past eight years shows that LGMA Queensland has diversified its income base. We are less reliant on a few key events and the supporting corporate partner contribution. Membership continues to form around 20 percent of our revenue and this has been stable for many years (ranging from 15-21%). Professional development income has grown both as a percentage of total income and in real terms and is now almost at 35% of our total income. It is a more diverse income stream that the events programme and is more flexible, able to be adjusted at short notice. Our interest income has reduced over the past few years, reflecting changes in interest rates. Conference and event income has gradually reduced as a portion of total income from a high of over 60 percent to just under 40 percent in the past year.

On the expenditure side, LGMA Queensland has more than doubled its staffing in the past 8 years. From a two person (neither full-time) team in 2006 to 4.4 FTEs in 2014, we are now able to deliver a much bigger programme. Pleasingly, the external costs of this programme have reduced largely in line with the increase in staffing. So, by bringing on more staff, we have reduced our reliance on external facilitators and trainers and thereby reduced non-employee delivery costs. LGMA Queensland has also had no real growth in non-employee administrative expenses in the past eight years. Board of Management expenses have also come down from a high of 7 percent of expenditure in 2006/07 to less than 1 percent of expenditure today.

Overall, all the trends on the financial side are positive and show a steady and conservative organisation, operating well within its means and expanding services in a manageable and low-risk manner.

Our Partners

Corporate Partner support continues to be critical and was strong again in 2013/14. However, it is clear that many of our traditional partners continue to feel the pinch of economic retraction and have fewer funds to contribute to promotion and industry support. Recognising this, LGMA Queensland has been actively seeking to reduce its reliance on key players for funding support and, instead, has sought to develop new and more diverse opportunities to allow us to build new partnerships across the sector. This has been moderately successful but will continue to grow as we learn more about what opportunities exist and what is important to potential partners.

LGMA Queensland has a clear role in working with officers to assist them to manage more effectively in the current environment.

Our Position

We head into 2014/15 in a good position with a range of new opportunities ahead of us and strong support from our members, the broader sector and our partners. In the coming year, we will build on what we have learnt and offer new and different programmes, starting with the 2014 Annual Conference which will adopt a new format and offer new opportunities. LGMA Queensland will seek to do more to promote the sector as a leading sphere of government and will look to partner more closely with other representative bodies to achieve that. It promises to be a pivotal year in the sector's evolution and one where LGMA Queensland will need to take on a more visible role.

From my perspective, I thank members for their support over the past 12 months – you make the role enjoyable and worthwhile. I thank the Board for having the courage to try new things and being willing to show leadership when it is easier to go with the flow. They are always supportive and, more importantly, have the best interests of the sector at heart and are never afraid to articulate those when necessary. Thank you also to the amazing team at LGMA Queensland. We have many new faces this year but already we have a team that is humming along toward the same goal – supporting our members. Robyn, Michelle, Helen and Michelle, I look forward to seeing what we can accomplish in the coming year and thank you for being part of it.

A handwritten signature in black ink that reads "Peta". The signature is fluid and cursive, with a large loop at the top.

Peta Irvine MLGMA
Chief Executive Officer

*We head into 2014/15
in a good position
with a range of new
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members.*

Local Government Managers Australia (QLD) Inc.

ABN 97 968 931 841

Financial Statements

For the Year Ended 30 June 2014

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	2	1,021,888	921,322
Employee benefits expense		(429,273)	(404,667)
Depreciation and amortisation expense		(2,594)	(2,446)
Conferences and event expenses		(214,542)	(203,498)
Professional development and training expenses		(192,573)	(147,273)
Members servicing costs		(63,628)	(71,484)
Other expenses		(71,371)	(74,457)
Profit before income tax		47,907	17,497
Income tax expense		(30,404)	(1,181)
Profit for the year		17,503	16,316
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		17,503	16,316

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	88,372	82,307
Other cash investments	4	718,000	735,833
Trade and other receivables	5	75,963	290,602
Prepayments		12,313	35,506
TOTAL CURRENT ASSETS		894,648	1,144,248
NON-CURRENT ASSETS			
Plant and equipment	6	2,782	2,413
TOTAL NON-CURRENT ASSETS		2,782	2,413
TOTAL ASSETS		897,430	1,146,661
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	72,013	49,588
Current tax liabilities		-	722
Other liabilities	8	129,418	424,178
TOTAL CURRENT LIABILITIES		201,431	474,488
NON-CURRENT LIABILITIES			
Employee benefits	9	33,333	27,010
TOTAL NON-CURRENT LIABILITIES		33,333	27,010
TOTAL LIABILITIES		234,764	501,498
NET ASSETS		662,666	645,163
MEMBERS' FUNDS			
General reserve	10	250,000	250,000
Retained profits	11	412,666	395,163
TOTAL MEMBERS' EQUITY		662,666	645,163

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2014

The financial statements cover Local Government Managers Australia (QLD) Inc. as an individual entity. Local Government Managers Australia (QLD) Inc. is a not-for-profit association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*).

The principal activities of the Association during the financial year were to provide education, advocacy and information services to members.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*). The board of management has determined that the Association is not a reporting entity.

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

Amounts in the financial statements have been rounded to the nearest dollar.

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

(b) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

(c) Plant and equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

Depreciation rates

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

Class of Fixed Asset	Depreciation Rate
Office Equipment	20-30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(d) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(e) Cash and cash equivalents and other cash investments

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Term deposits with original maturities of more than three months are classified as other cash investments.

(f) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The board of management do not make any adjustments related to expected pay increases or the time value of money as the net effect of these factors is not considered significant. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(g) Income tax

Only non-member income of the association is only assessable for tax, as members income is executed under the principle of mutuality.

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

(h) Revenue and other income

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Association and specific criteria have been met for each of Local Government Managers Australia (QLD) Inc.'s activities as discussed below.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(h) Revenue and other income continued

Income from conferences, events, training and professional development

Revenue from conferences and other events (including related sponsorship income) is recognised in the period in which the conference or event is held. Any income received in advance of the conference or event is included within other liabilities.

In a similar manner income relating to the provision of training and professional development services is recognised with reference to the stage of completion of the training or professional development program concerned.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the subscription period. That portion of the subscription relating to the subsequent financial period is included within other liabilities. Admission fees are recognised when received.

Interest revenue

Interest revenue is recognised when receivable.

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

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 in the statement of financial position are shown inclusive of GST.

(j) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Association's functional and presentation currency.

(k) Critical accounting estimates and judgments

The board of management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Notes to the Financial Statements

For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(k) Critical accounting estimates and judgments continued

Income tax provision

Some of the Association's income is taxable. Judgement is required in determining the provision for income tax. The Association recognises a tax liability based upon its current understanding of tax law. Where the final tax outcome is different from initial estimate, such differences will impact the tax charge and provision in the period in which determination is made.

2 Revenue

Revenue from continuing operations

	2014	2013
	\$	\$
- Member subscriptions and admission fees	191,400	184,661
- Provision of member services	42,519	52,185
- Interest income	28,974	40,066
- Conferences and events income	406,563	352,621
- Professional development and training	318,574	272,469
- Secretariat services income	33,858	19,320
Total Revenue	1,021,888	921,322

3 Cash and Cash Equivalents

	2014	2013
	\$	\$
Cash at bank	88,172	82,107
Cash on hand	200	200
Total cash and cash equivalents	88,372	82,307

4 Other cash investments

	2014	2013
	\$	\$
Bank term deposits	718,000	735,833
Total other cash investments	718,000	735,833

Bank term deposits above have original maturity periods of six months.

Notes to the Financial Statements

For the Year Ended 30 June 2014

5 Trade and Other Receivables

	2014	2013
	\$	\$
CURRENT		
Trade receivables	66,773	288,092
Other receivables	9,190	2,510
Total current trade and other receivables	75,963	290,602

In 2013, most corporate partner invoices, council subscriptions and membership renewal subscriptions for 2013/2014 were raised prior to the end of the 2013 financial year. In 2014, they will be raised on 1 July 2014. This accounts for the significant difference in receivables.

6 Plant and Equipment

	2014	2013
	\$	\$
Office equipment		
At cost	17,170	14,207
Accumulated depreciation	(14,388)	(11,794)
Total office equipment	2,782	2,413
Total plant and equipment	2,782	2,413

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office Equipment	Total
	\$	\$
Balance at the beginning of year	2,413	2,413
Additions	2,963	2,963
Depreciation expense	(2,594)	(2,594)
Balance at end of financial year	2,782	2,782

7 Trade and Other Payables

	2014	2013
	\$	\$
CURRENT		
Trade payables	18,368	-
Other payables	53,645	49,588
	72,013	49,588

Notes to the Financial Statements

For the Year Ended 30 June 2014

8 Other Liabilities

	2014	2013
	\$	\$
CURRENT		
Income received in advance	129,418	424,178

In 2013, most corporate partner invoices, council subscriptions and membership renewal subscriptions for 2013/2014 were raised prior to the end of the 2013 financial year. In 2014, they will be raised on 1 July 2014. This accounts for the significant difference in income in advance figures.

9 Employee Benefits

	2014	2013
	\$	\$
NON-CURRENT		
Provision for long service leave	33,333	27,010

10 General reserve

The general reserve records funds set aside for future expansion of Local Government Managers Australia (QLD) Inc..

11 Retained Earnings

	2014	2013
	\$	\$
Opening balance	395,163	378,847
Profit for the year	17,503	16,316
Retained earnings at end of the financial year	412,666	395,163

12 Capital Management

The Board of Management controls the capital of the Association in order to ensure that adequate cash flows are generated to fund its activities. This includes monitoring future cash flow requirements and available cash reserves.

The Association does not have any borrowings and there are no externally imposed capital requirements.

There have been no changes in the strategy adopted by the Board of Management to control the capital of the Association since the previous year.

13 Auditors' Remuneration

	2014	2013
	\$	\$
Remuneration of the auditor of the Association, BB Whitehouse Audit Pty Ltd, for:		
- auditing or reviewing the financial report	5,232	11,323

Notes to the Financial Statements

For the Year Ended 30 June 2014

14 Contingent Liabilities and Contingent Assets

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2014 (30 June 2013: None).

15 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 Association, the results of those operations or the state of affairs of the Association in future financial years.

16 Association Details

The registered office and principal place of business of the Association is:

Local Government Managers Australia (QLD) Inc.
Level 7, Quay Central
95 North Quay
Brisbane QLD 4000

Statement by Members of the Board of Management

The board of management has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the board the financial report as set out on pages 1 to 9:

1. Presents fairly the financial position of Local Government Managers Australia (QLD) Inc. as at 30 June 2014 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Local Government Managers Australia (QLD) Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:



President.....

Mark Crawley



Treasurer

Arun Pratap

Dated 28 July 2014

Local Government Managers Australia (QLD) Inc.

ABN 97 968 931 841

Independent Audit Report to the members of Local Government Managers Australia (QLD) Inc.

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Local Government Managers Australia (QLD) Inc., which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of board of management.

Officers' Responsibility for the Financial Report

The members of the board of management are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the the Associations Incorporation Act (QLD) 1981 and is appropriate to meet the needs of the members. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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.

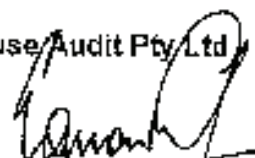
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Local Government Managers Australia (QLD) Inc. as at 30 June 2014, and its financial performance for the year then ended in accordance with Australian Accounting Standards and the Associations Incorporation Act (QLD) 1981.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Local Government Managers Australia (QLD) Inc. to comply with the financial reporting provisions of the Associations Incorporation Act (QLD) 1981. As a result, the financial report may not be suitable for another purpose.

BB Whitehouse Audit Pty Ltd

27 Mayneview Street, Milton QLD
Dated this 20th day of July 2014

QUEENSLAND LOCAL GOVERNMENT MANAGEMENT FOUNDATION

The Queensland Local Government Management Foundation was established in 1992 to provide funds to support local government research. Under the Trust Deed, the initial capital invested is to be retained but any earnings can be expended to relevant research projects which will add value and insight to the profession of local government.

The LGMA Queensland Management Foundation was not active in 2012/2013 through the expenditure of funds, however, the Management Foundation Trustee continues to review opportunities to undertake critical research which would benefit the sector and is prepared to respond to these opportunities as they arise.

In 2013/2014, the Management Foundation initiated discussion with other states regarding the development of a joint research project on the governance implications of different local government administrative models. With the support of LGPro (Vic), LG Professionals NSW and LGMA National and working with the University of Queensland and Professor Brian Dollery, the Management Foundation made an application to the Australian Centre for Excellence in Local Government for funding support to undertake this research. This application was unsuccessful. The Foundation is now considering other avenues to gain support for this initiative in 2014/15.

Although interest rates did fall during the year, interest on investments led to an increase of \$8,171 in the Management Foundation funds with \$242,322 invested through the National Australia Bank and Commonwealth Bank of Australia. No funds were expended during the course of the year.

The Trustee of the Management Foundation will continue to work towards identifying and delivering appropriate research that support officers working in Queensland local government.

