



# Fair Work Australia

15 October 2009

Mr Colin Waller  
Secretary/Treasurer  
Australian Hotels Association, New South Wales Branch

email: [enquiries@ahansw.com.au](mailto:enquiries@ahansw.com.au)

Dear Mr Waller

**Re: Application for certificate stating financial affairs of Branch are  
encompassed by financial affairs of associated State body  
For year ended 31 December 2008  
(FR2008/617)**

I refer to your application pursuant to s269 of the *Fair Work (Registered Organisations) Act 2009*, lodged in Fair Work Australia on 25 September 2009, in respect of the New South Wales Branch of the Australian Hotels Association for the financial year ended 31 December 2008.

I have granted the application. My certificate is enclosed.

If you wish to discuss this matter, please contact Kevin Donnellan on (03) 8661 7764 or by email to [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au).

Yours sincerely

  
T. Nassios

Delegate of the General Manager  
Fair Work Australia

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FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

s.269(2)(a)

*Reporting unit's financial affairs encompassed by associated State body*

**Australian Hotels Association**

(FR2008/617)

**CERTIFICATE**

On 25 September 2009 an application was made under s269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act") by the New South Wales Branch ("the Branch") of the abovenamed organisation for a certificate stating that the financial affairs of the Branch are encompassed by the financial affairs of Australian Hotels Association (NSW) ("the Association"), an associated State body, in respect of the financial year ending 31 December 2008.

On 25 September 2009, the Branch lodged a copy of the audited accounts of the Association with Fair Work Australia.

I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1996* (NSW), a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the Branch; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the Branch; and
- is an associated State body.

I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority; and
- any members of the Branch who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the Branch who are members of the Association.

I am satisfied that the financial affairs of the Branch in respect of the financial year ending 31 December 2008, are encompassed by the financial affairs of the Association and I certify accordingly under s269(2)(a) of the RO Act.



T. Nassios  
Delegate of the General Manager  
Fair Work Australia

15 October 2009

# **NSW BRANCH**

OF THE  
AUSTRALIAN  
HOTELS  
ASSOCIATION

21 September 2009



Mr Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Fair Work Australia  
GPO Box 1994  
MELBOURNE, VIC 3001

Dear Mr Donnellan,

## **RE: APPLICATION FOR EXEMPTION PURSUANT TO SECTION 269 OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (CTH) ("the Act")**

I am the Secretary/Treasurer of the Australian Hotels Association, NSW Branch ("the Branch") and am authorised by the Branch to make Application for a Certificate stating that:-

- (i) the financial affairs of the Branch are encompassed by the financial affairs by the Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW), being an associated state body; and
- (ii) That the Branch is taken to have satisfied Part 3 of the Act.

The grounds and reasons for this Application are as follows.

1. The Australian Hotels Association (NSW) is an organisation of employers registered under the *Industrial Relations Act 1996* (NSW) ("the State Act") and is an associated State body to the Branch – hereafter "the State Organisation".
2. The State Organisation is composed substantially of the same members as the Branch.
3. The officers of the State Organisation are the same as the officers of the Branch. In that regard I refer to Rule 32A of the Rules of the State Organisation, a copy of which is **attached** hereto (attachment A). I also refer in this regard to section 239 of the State Act, which facilitates this arrangement.

**NSW**  
**BRANCH**

OF THE  
AUSTRALIAN  
HOTELS  
ASSOCIATION



4. It is submitted that the Branch can be taken to have satisfied Part 3 of the Act, because of the following matters:-

- i. The State Organisation has in accordance with the State Act, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the audited accounts with the New South Wales Industrial Registry. A copy of the audited accounts for the year ending 31 December 2008 are **attached** (attachment B).
- ii. All members of the Branch and the State Organisation, at substantially the same time, have been provided with a copy of the attached accounts, in accordance with provision of the State Act, through their reproduction in the 2008 Annual Report of the Branch and the State Organisation (Attachment C).

If you require any further information in relation to this Application would you please contact Peter Punch of Carroll & O'Dea Lawyers, Solicitors for the Branch in this matter.

Yours faithfully,



**COLIN WALLER**  
Secretary/Treasurer

# " Attachment 'A' "

## **32A. SPECIAL RULE RELATING TO OFFICE HOLDING**

Notwithstanding any of the other provisions of these Rules, each of the persons elected from time to time to hold the following positions in the New South Wales Branch of the Federal Organisation, namely:

- (i) Delegates to Council for the respective Sub-Branches
- (ii) President
- (iii) Senior Vice Presidents
- (iv) Vice President
- (v) Secretary/Treasurer
- (vi) Country Member representing the General Division
- (vii) Metropolitan Members representing the General Division
- (viii) Member representing Accommodation Division
- (ix) Member representing the Motels' Division
- (x) Member representing the Off-Licence Division
- (xi) Member representing the Restaurant Division

shall be taken to be validly elected to the corresponding office in the Organisation, and shall constitute full compliance with these Rules and the State Act (and any regulations thereunder) relating to election of office holders.

### PROVIDED THAT

- (a) Not later than 30 September in each Election Year or such later date as the Industrial Registrar allows, the President shall, if the facts permit him to do so, file with the Industrial Registrar a statutory declaration certifying that:
  - (i) The membership of the New South Wales Branch of the Federal Organisation and the membership of the Organisation are identical;
  - (ii) The Rules of the New South Wales Branch of the Federal Organisation relating to the election of office holders remain unaltered from the latter of the following date:
    - (iia) the date of this Rule; or
    - (iib) if any changes have been made to the Rules of the New South Wales Branch of the Federal Organisation concerning the election of office holders, the date upon which the Industrial Registrar is satisfied that the said Rules entitled the Organisation to the benefit of Section 239 of the State Act;

# " Attachment 'A' "

## AND PROVIDED THAT

- (b) Nothing in this Rule shall affect the operation of Rules 33 or 34 of these Rules.
- (c) A person who for any reason ceases to hold any one of the offices in the NSW Branch of the Federal Organisation referred to in this Rule shall forthwith cease to hold the corresponding office in the Organisation.
- (d) Within 28 days of becoming aware any amendment to the Rules of the New South Wales Branch of the Federal Organisation concerning or related to eligibility for membership or election to the offices referred to in this Rule, the Organisation shall provide written notice of any such amendments to the Industrial Registrar.

" Attachment 'A' "



Whole title | Regulations | Historical versions | Historical notes | Search title

Results: Document Types="Acts, Regs", Scope="Titles", Exact Phrase="Industrial"

Result titles | Result hits

## Industrial Relations Act 1996 No 17

Current version for 6 July 2009 to date (accessed 23 September 2009 at 09:43)

[Chapter 5](#) » [Part 4](#) » [Division 2](#) » Section 239

<< page >>

### 239 Rules may provide for elections for offices in State branch of Federal organisation to be elections for purposes of State organisation

- (1) The rules of a State organisation registered under this Chapter may provide that persons elected to offices in a State branch of a Federal organisation are taken to be validly elected to the corresponding offices in the State organisation registered under this Chapter if the Industrial Registrar is satisfied that:
  - (a) the membership of the State branch of the Federal organisation and the State organisation registered under this Chapter is identical or substantially similar, and
  - (b) the rules of the State branch of the Federal organisation relating to the election of the holders of offices comply substantially with the requirements relating to election of the holders of offices under this Act.
- (2) The regulations may specify circumstances in which:
  - (a) the membership of organisations is or is not substantially similar for the purposes of subsection (1) (a), or
  - (b) the rules of an organisation comply or do not comply substantially with the relevant provisions for the purposes of subsection (1) (b).
- (3) In this section, *State branch of a Federal organisation* means a State branch of an organisation registered under the *Workplace Relations Act 1996* of the Commonwealth.

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" Attachment 'B' "

Attention: Geoff Folley  
Industrial Relations Commission of NSW  
G P O Box 3670  
Sydney  
NSW 2001

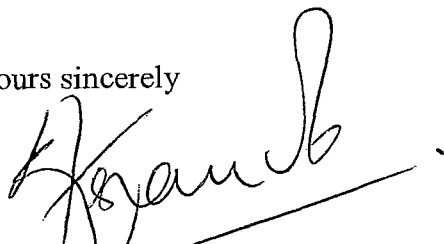
21 April 2009

Dear Geoff

**RE: Annual Return for Year 2008 – ER38**

Please find attached documents relating to the above for lodgement.

Yours sincerely



**Prabhu Fernando**  
Financial Controller



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2008**

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**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
Revenue	4	8,398,033	7,983,692
Finance Costs	5	(47)	(2,751)
Depreciation		(221,664)	(174,893)
Administrative, Member and Other Expenses		(4,675,617)	(4,881,187)
Loss on sale of Fixed Assets		-	(4,879)
Employee Expenses	5	<u>(2,574,945)</u>	<u>(1,961,101)</u>
		<u>(7,472,273)</u>	<u>(7,024,811)</u>
<b>Profit before Income Tax</b>		925,760	958,881
Income Tax Expense	7	<u>-</u>	<u>-</u>
<b>Net Profit for Year</b>		<u>925,760</u>	<u>958,881</u>

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	4,919,594	3,711,225
Trade & Other Receivables	9	133,291	132,545
Other	10	342,505	689,881
<b>TOTAL CURRENT ASSETS</b>		<u>5,395,390</u>	<u>4,533,651</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	5,351,830	5,414,463
Investments	12	32	32
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,351,862</u>	<u>5,414,495</u>
<b>TOTAL ASSETS</b>		<u>10,747,252</u>	<u>9,948,146</u>
<b>CURRENT LIABILITES</b>			
Trade and Other Payables	13	1,954,927	2,073,710
Interest Bearing Loans and Borrowings	14	-	29,375
Provisions	15	293,318	245,023
<b>TOTAL CURRENT LIABILITES</b>		<u>2,248,245</u>	<u>2,348,108</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	50,751	77,542
<b>TOTAL NON-CURRENT LIABLITIES</b>		<u>50,751</u>	<u>77,542</u>
<b>TOTAL LIABILITIES</b>		<u>2,298,996</u>	<u>2,425,650</u>
<b>NET ASSETS</b>		<u>8,448,256</u>	<u>7,522,496</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	16	3,581,000	3,581,000
Retained Earnings	17	4,867,256	3,941,496
<b>TOTAL EQUITY</b>		<u>8,448,256</u>	<u>7,522,496</u>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
<b>Cash Flows From Operating Activities:</b>			
Receipts from Members and Third Parties		7,828,480	7,761,041
Payments to Suppliers and Employees		(6,839,081)	(6,526,851)
Interest Received		402,229	255,548
Interest Paid		(47)	(2,751)
Net Cash provided by Operating Activities	23	<u>1,391,581</u>	<u>1,486,987</u>
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(196,723)	(92,916)
Proceeds from Sale of Property, Plant and Equipment		42,886	36,261
Payment for Investment in Subsidiary Company		-	(1)
Net Cash (used in) Investing Activities		<u>(153,837)</u>	<u>(56,656)</u>
<b>Cash Flows from Financing Activities:</b>			
Lease Principal Repayments		<u>(29,375)</u>	<u>(42,070)</u>
Net Cash (used in) Financing Activities		<u>(29,375)</u>	<u>(42,070)</u>
Net Increase in Cash held		1,208,369	1,388,261
Cash and Cash Equivalents at beginning of Financial Year		<u>3,711,225</u>	<u>2,322,964</u>
<b>Cash and Cash Equivalents at end of Financial Year</b>	<b>22</b>	<u><u>4,919,594</u></u>	<u><u>3,711,225</u></u>

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total Equity</b>
	\$	\$	\$
<b>At 1 January 2007</b>	2,982,614	1,893,813	4,876,427
Profit for the year	958,881	-	958,881
Increase in revaluation reserve	-	1,687,187	1,687,187
Share acquired in subsidiary company	1	-	1
<b>At 1 January 2008</b>	3,941,496	3,581,000	7,522,496
Profit for the year	925,760	-	925,760
<b>At 31 December 2008</b>	<u>4,867,256</u>	<u>3,581,000</u>	<u>8,448,256</u>

This Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**1 CORPORATE INFORMATION**

The financial report of Australian Hotels Association (NSW) ("Association"), its Controlled Entities and Australian Hotels Association, New South Wales Branch ("Branch") for the year ended 31 December 2008 were authorised for issue in accordance with a Resolution of the Committee of Management on 4 March 2009.

The Association is incorporated in Australia.

The nature of the operations is that it is an association comprising members of the hotel industry and representing those members.

**2 STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. It has been prepared on the basis of historical costs and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period.

**(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

**(c) New standards and interpretations not yet adopted**

The following standards, amended standards and interpretations have been identified as possibly impacting the Association in the period of initial application. They are available for early adoption at 31 December 2008 but have not been applied in preparation of the financial report:

- Revised AASB101 *Presentation of Financial Statements* requires an additional financial statement of comprehensive income and is applicable for the Association's 31 December 2009 financial statements. The Association is determining the effect of the revised standard on disclosures.
- Revised AASB123 *Borrowing Costs* removes the option to expense borrowing costs on qualifying capital assets and requires capitalisation as part of the cost of the qualifying asset. The revised standard is applicable for the Association's 31 December 2009 financial statements and will represent a change in accounting policy. The Association will apply the standard to qualifying assets with associated borrowing costs on or after the effective date.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the New South Wales Hotels Association Inc, AHA Services Pty Limited, Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Hospitality Insurance Services Pty Limited, Hospitality Broadcasting Company Pty Limited and Australian Hotels Association (NSW) Holdings Pty Limited.

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Association's financial statements, investments in subsidiaries are carried at cost. Intra group balances are eliminated in preparing the consolidated financial statements.

**(e) Revenue Recognition**

Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period. Other subscription revenue, training revenue, rent received, commission, interest received and other sundry revenues are recognised on an accruals basis.

**(f) Comparative figures**

Comparative figures supplied reflect the accounting period for the twelve months ended 31 December 2007.

**(g) Special Note concerning Basis of Financial Statements**

- (i) The financial statements herein are a consolidation of the financial affairs of the following entities:
- a) Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW) (hereafter referred to as "the State Organisation");
  - b) Australian Hotels Association, New South Wales Branch (hereafter referred to as "the Federal Branch") being a branch of the Australian Hotels Association, an organisation of employers registered under the Workplace Relations Act 1996 (Cth) (hereafter referred to as "the Federal AHA"); and
  - c) certain entities associated with and controlled by the State Organisation, as referred to in paragraph (d) above.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(g) Special Note concerning Basis of Financial Statements (cont.)**

- (ii) The financial statements of the above mentioned entities are prepared in order to ensure that members of both the State Organisation and the Federal Branch are provided with a complete picture of the financial affairs of both bodies and their related entities for the reporting period.
- (iii) Notwithstanding the foregoing the following matters are of relevance in connection with these financial statements:
  - a) By reason of complementary provisions in the Rules of the Federal Branch and the Rules of the State Organisation, all membership fees collected in the State of New South Wales are the property of the State Organisation;
  - b) The Federal AHA has an entitlement to capitation fees in respect of membership fees so collected, and such capitation fees are the property of the Federal AHA through the Federal Branch; and
  - c) All other assets (including real property) and liabilities, including those held by the controlled entities referred to in paragraph (d) hereof, are assets and liabilities of the State Organisation.

**(h) Notice pursuant to Section 272 of Schedule 1 of the Workplace Relations Act 1996 (Cth)**

Members of the Australian Hotels Association, New South Wales Branch are asked to note the following provisions of Section 272 of the above Act:

- (i) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
- (iii) A reporting unit must comply with an application made under subsection (1).



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(i) Notice pursuant to Regulations under Section 282(3) of the Industrial Relations Act 1996 (NSW)**

- (i) 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; and
- (ii) 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.

**(j) Cash and Cash Equivalents.**

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less that are readily convertible to known cash amounts subject to insignificant risk of changes in value.

**(k) Trade and Other Receivables**

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

**(l) Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- Held-to-maturity investments - at amortised cost less impairment losses.
- Available-for sale financial assets – at fair value and changes other than impairment losses and foreign exchange gains and losses are recognised in a separate component of equity.
- Financial assets at fair value through the profit or loss – such assets are designated if held for trading. They are measured at fair value through the profit or loss and any changes are also recognised in the profit or loss.
- Other – at amortised cost using the effective interest method, less any impairment losses.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(l) Financial instruments (cont.)**

*Derivative financial instruments*

No derivative financial instruments are used by the Association to hedge its interest rate exposures.

**(m) Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that the asset may be impaired. A financial asset is considered impaired if the evidence indicates one or more events have had a negative effect on the estimated future cash inflows of that asset.

Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available for sale financial asset is calculated by reference to its fair value.

Impairment losses are recognised in the income statement.

**(n) Impairment of non-financial assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(o) Property, plant and equipment**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment in value.

Depreciation is calculated on a combination of straight-line and diminishing value basis over the estimated useful life of the asset as follows:

Strata Titled Units – 40 years straight line  
Plant and equipment – over 5 to 15 years straight line  
Motor vehicles – 4 to 5 years diminishing value

*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.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

*Revaluations*

Following initial recognition at cost, strata units are carried at a revalued amount which is the fair value at the date of the revaluation plus additions made subsequent to revaluation, at cost less any subsequent accumulated depreciation on strata units and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to equity.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(p) Trade and Other Payables**

Trade and other payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

**(q) Employee Benefits**

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the Association has a present obligation to pay resulting from employees' services provided up to reporting date.

- Wages, salaries and annual leave – Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability. The long service liability expected to be settled within 12 months of year-end is included as a current liability in the balance sheet. The long service leave not expected to be settled within 12 months of year end is included as a non current liability in the balance sheet.
- Superannuation – Superannuation contributions by the Association on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

**(r) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the Association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(s) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 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 cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**3 FINANCIAL RISK MANAGEMENT**

**Overview**

The Association has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. The Committee of Management is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Association's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Association.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**3 FINANCIAL RISK MANAGEMENT (cont.)**

**Credit Risk**

Credit risk is the risk of financial loss to the Association if a member, customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's sundry receivables.

*Trade and Other Receivables*

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Association's member base, including the default risk of the industry in which members operate, has less of an influence on credit risk.

There is an allowance for impairment on the trade and other receivable balances, assessed as any balance due over 90 days.

*Investments*

The Association limits its exposure to credit risk by placing investments in liquid securities and only with banks. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

**Liquidity Risk**

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Typically, the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association enters into and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Committee of Management.

**Interest Rate Risk**

The Association has limited its exposure to changes in interest rates on borrowings.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>4 REVENUE</b>		
Member Subscriptions	4,107,245	4,298,499
Interest	402,229	255,548
Insurance Commission	89,790	107,399
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
Income from Membership Activities	<u>2,114,330</u>	<u>2,488,913</u>
<b>Total Revenue</b>	<u><u>8,398,033</u></u>	<u><u>7,983,692</u></u>
<b>5 REVENUES AND EXPENSES</b>		
<b>Finance Income / (Costs)</b>		
Finance Charges under Finance Lease and Hire Purchase	(47)	(2,751)
Bank Interest Receivable	<u>402,229</u>	<u>255,548</u>
<b>Net Finance Income</b>	<u><u>402,182</u></u>	<u><u>252,797</u></u>
<b>Employee Benefits</b>		
Annual Leave Accrued	-	(8,410)
Fringe Benefits Tax	26,784	24,521
Long Service Leave Provided	27,183	26,221
Payroll Tax	109,303	85,529
Salary and Wages	2,224,829	1,691,145
Superannuation	<u>186,846</u>	<u>142,095</u>
	<u><u>2,574,945</u></u>	<u><u>1,961,101</u></u>
<b>6 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements	24,000	23,430
Audit of Grant Moneys	400	-
Audit of Related Entities	-	1,650
Other Services	<u>31,182</u>	<u>31,085</u>
	<u><u>55,582</u></u>	<u><u>56,165</u></u>
<b>7 INCOME TAX</b>		

No provision has been made for income tax on the results of the Association and the Branch as they are exempted from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>8 CASH AND CASH EQUIVALENTS - CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>
<b>9 TRADE AND OTHER RECEIVABLES - CURRENT</b>		
Trade Debtors	218,796	215,873
Less: Allowance for Doubtful Debts	85,505	83,328
	<u>133,291</u>	<u>132,545</u>
Other Debtors	-	150,000
Less: Allowance for Impairment	-	(150,000)
	<u>-</u>	<u>-</u>
	<u>133,291</u>	<u>132,545</u>
<b>10 OTHER CURRENT ASSETS</b>		
Investment in Legal Action	323,935	674,865
Prepayments	18,570	15,016
	<u>342,505</u>	<u>689,881</u>

The Investment in Legal Action represents the unamortised amount of the expenses incurred in the TVN/TAB matter. This amount is written off against the amounts received and due to be received and represented in Revenue at Note 4 & Income in Advance at Note 13.

**11 PROPERTY, PLANT & EQUIPMENT – NON CURRENT**

Strata Units – At Independent Valuation and Additions at Cost	5,250,000	5,250,000
Less: Provision for Depreciation	153,125	21,875
	<u>5,096,875</u>	<u>5,228,125</u>
Plant and Equipment – At Cost	1,033,322	1,025,659
Less: Provision for Depreciation	991,175	950,076
	<u>42,147</u>	<u>75,583</u>
Motor Vehicles – At Cost	265,920	191,060
Less: Provision for Depreciation	53,112	80,305
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant and Equipment	<u>5,351,830</u>	<u>5,414,463</u>

The basis of the valuation of Strata Units is fair market value based on existing use. The valuation dated 1 November 2007 was carried out by Peter A Brown, valuer number 6268.



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
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	2008	2007
	\$	\$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT – NON CURRENT (cont.)</b>		
<b>Reconciliations</b>		
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:		
<u>Strata Units</u>		
Carrying amount at beginning of year	5,228,125	3,644,063
Revaluation Increment	-	1,687,187
Depreciation	<u>(131,250)</u>	<u>(103,125)</u>
	<u>5,096,875</u>	<u>5,228,125</u>
<u>Plant &amp; Equipment</u>		
Carrying amount at beginning of year	75,583	104,856
Additions	8,282	16,267
Depreciation	<u>(41,718)</u>	<u>(45,540)</u>
	<u>42,147</u>	<u>75,583</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	110,755	101,474
Additions	188,441	76,649
Disposals	(37,692)	(41,140)
Depreciation	<u>(48,696)</u>	<u>(26,228)</u>
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant & Equipment	<u><u>5,351,830</u></u>	<u><u>5,414,463</u></u>
<b>12 INVESTMENTS – NON CURRENT</b>		
Shares in Subsidiary Companies – At Cost	<u><u>32</u></u>	<u><u>32</u></u>
<b>13 TRADE AND OTHER PAYABLES - CURRENT</b>		
Trade Creditors and Accruals	531,015	265,283
Agency Withholdings	-	194,196
GST (Refundable) / Payable	(22,229)	6,728
Subscriptions in Advance	364,822	811,355
Income in Advance	<u>1,081,319</u>	<u>796,148</u>
	<u><u>1,954,927</u></u>	<u><u>2,073,710</u></u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
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	2008 \$	2007 \$
<b>14 INTEREST BEARING LOANS AND BORROWINGS – CURRENT</b>		
Lease Liability	-	29,375
<b>15 PROVISIONS</b>		
Employee Entitlements – Current	293,318	245,023
Employee Entitlements – Non Current	50,751	77,542
	<u>344,069</u>	<u>322,565</u>
<b>16 ASSET REVALUATION RESERVE</b>		
Opening Balance	3,581,000	1,893,813
Increment on Revaluation of Strata Units	-	1,687,187
	<u>3,581,000</u>	<u>3,581,000</u>
<b>17 RETAINED EARNINGS</b>		
Balance at beginning of year	3,941,496	2,982,614
Profit for year	925,760	958,881
Shares in AHA (NSW) Holdings Pty Limited	-	1
	<u>4,867,256</u>	<u>3,941,496</u>

**18 RELATED PARTY TRANSACTIONS**

**Other Related Parties**

The Association collects commission income on behalf of Australian Hospitality Insurance Services Pty Limited and maintains this in a bank account held in the name of the Association. The balance collected less any direct costs to 31 December 2008 was \$226,686 (2007: \$138,680).

The Association paid a member of the Executive Committee (Paul Dirou) \$34,120 for gaming consultancy services. This service was provided under normal commercial terms.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	\$	\$

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**19 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer, Ms. Sally Fielke. Mr. Brian Ross resigned as Chief Executive Officer in March 2008.

The names of members of the Executive Committee who have held office during the year are:

John Thorpe	Scott Leach	Bevan Douglas	Peter Harris
Nigel Corne	Bruce Woods	Lynette Humphreys	Kim Maloney
Colin Waller	Philip Webster	Colin Parras	Paul Dirou
Charles Fenton	Patrick Gurr	Richard Munro	

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

	<b>2008</b>	<b>2007</b>
	\$	\$
Short-term employee benefits	<u>319,616</u>	<u>328,825</u>

The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2(d); Scott Leach, Lynette Humphreys, Colin Waller and Patrick Gurr.

Colin Waller and Bevan Douglas are officeholders of companies associated with or related to the Association and receive directors' fees paid directly to them from those companies.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>20 FINANCIAL INSTRUMENTS</b>		
<b>(a) Interest Rate Risk</b>		
The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:		
<i>Fixed rate instruments</i>		
Financial assets	4,758,100	3,579,656
Financial liabilities	-	-
	<u>4,758,100</u>	<u>3,579,656</u>
<i>Variable rate instruments</i>		
Financial assets	158,495	128,570
Financial liabilities	-	(29,375)
	<u>158,495</u>	<u>99,195</u>

**Fair value sensitivity analysis for fixed rate instruments**

An increase of 100 basis points in interest rates at reporting date would have increased the consolidated entity's equity and profit by \$47,581.

**Fair value sensitivity analysis for variable rate instruments**

An increase of 100 basis points in interest rates would have increased the consolidated entity's equity and profit by \$1,585.

**(b) Credit Risk**

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at reporting date was:

Cash and Cash Equivalents	4,919,594	3,711,225
Trade and Other Receivables	133,291	132,545
	<u>5,052,885</u>	<u>3,843,770</u>

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

**Impairment losses**

There were no impairment losses recognised during the year.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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NOTES TO THE FINANCIAL STATEMENTS  
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20 FINANCIAL INSTRUMENTS (cont.)

(c) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2008

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	(508,786)	(508,786)	(508,786)	-	-	-	-
Subscriptions and income in advance	(1,446,141)	(1,446,141)	(1,446,141)				
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(1,954,927)	(1,954,927)	(1,954,927)	-	-	-	-

31 December 2007

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	(29,375)	(33,083)	(16,541)	(16,542)	-	-	-
Trade and other payables	(466,207)	(466,207)	(466,207)	-	-	-	-
Subscriptions and income in advance	(1,607,503)	(1,607,503)	(1,607,503)				
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(2,103,085)	(2,106,793)	(2,090,251)	(16,542)	-	-	-

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
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	2008 \$	2007 \$
<b>21 LEASE COMMITMENTS</b>		
Finance Lease		
Not later than one year	-	33,083
Later than one year but less than 2 years	-	-
Later than 2 years but less than 5 years	-	-
	-	33,083
Less Future Finance Charges	-	3,708
	-	<u>29,375</u>
Operating Lease		
Not later than one year	-	62,461
Later than one year but less than 2 years	-	-
	-	62,461
Less Future Finance Charges	-	6,508
	-	<u>55,953</u>

**22 RECONCILIATION OF CASH**

For the purposes of the cash flow statement, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
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	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>23 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET OPERATING REVENUE</b>		
Profit from Ordinary Activities Attributable to Members	925,760	958,881
Non-Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	221,664	174,893
(Profit) / Loss on Sale of Fixed Assets	(5,194)	4,879
Change Assets and Liabilities:		
(Increase) / Decrease in Current Receivables	(746)	213,040
Decrease / (Increase) in Other Current Assets	347,376	211,957
(Decrease) / Increase in Trade and Other Payables	(118,783)	(94,475)
Increase / (Decrease) in Employee Provisions	21,504	17,812
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>1,391,581</u></b>	<b><u>1,486,987</u></b>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**24 ASSOCIATION DETAILS**

The registered office of the Association is:

Level 5, 8 Quay Street  
Sydney NSW 2000

The principal place of business is:

Level 5, 8 Quay Street  
Sydney NSW 2000

**25 SEGMENT REPORTING**

The Association and its controlled entities operate as an employer association providing a range of services to members in the hospitality industry in the state of New South Wales.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) and its controlled entities hereby certify that the number of members of the Association at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Association, and all moneys so paid, or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Association;
- (c) Before any expenditure was incurred by the Association approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- (d) With regard to funds of the Association 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;
- (e) All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association; and
- (f) The register of members of the Association was maintained in accordance with the Regulations under the Industrial Relations Act 1996 (NSW).

  
Accounting Officer

Dated:



**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association, New South Wales Branch hereby certify that the number of members of the Branch at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Branch at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Branch, and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Branch;
- (c) Before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Branch;
- (d) With regard to funds of the Branch 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;
- (e) All loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the Rules of the Branch; and
- (f) The register of members of the Branch was maintained in accordance with Section 230 of Schedule 1 of the Workplace Relations Act 1996 (Cth).



**Accounting Officer**

**Dated:**

*4<sup>th</sup> March 2009*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

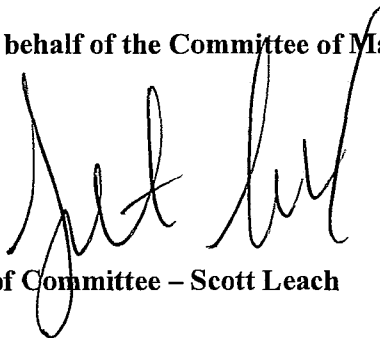
**STATEMENT OF COMMITTEE OF MANAGEMENT**

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In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) and its controlled entities, we state that in the opinion of the Committee:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- (c) During the financial year to which the financial statements relate, there has not been, to the knowledge of any member of the Committee of Management, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under the Regulations of the Industrial Relations Act 1996 (NSW)), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished or made available to members of the Association in accordance with the Industrial Relations Act 1996 (NSW), this regulation or the Rules of the Association, as the case may be;
- (d) In relation to the report prepared in accordance with the regulations under the Industrial Relations Act 1996 (NSW) by the Auditor of the Association in respect of the financial year immediately proceeding the financial year to which these financial statements relate and in relation to any financial report prepared in accordance with the Regulations under the Industrial Relations Act 1996 (NSW) to which that report relates, the Association has distributed the relevant financial report in accordance with the Regulations under the Industrial Relations Act 1996 (NSW); and
- (e) There are reasonable grounds to believe that the Association and its controlled entities will be able to pay their debts as and when they fall due.

**Signed on behalf of the Committee of Management**



**Member of Committee – Scott Leach**



**Member of Committee – Colin Waller**

**Dated:** 4<sup>th</sup> March 2009

## AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

### STATEMENT OF COMMITTEE OF MANAGEMENT

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On 4 March 2009 the Committee of Management of the Australian Hotels Association, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2008.

The Committee of Management declares in relation to the GPFR that in its opinion:

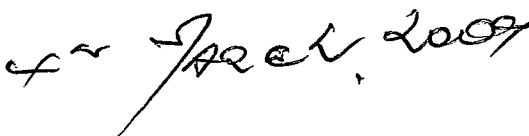
- (a) the financial report and notes comply with Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 31 December 2008;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2008 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the reporting unit;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation and the rules of the reporting unit;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1 of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation;
  - (v) no information has been sought in any request by a member of the reporting unit or a Registrar under Section 272 of Schedule 1 of the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Industrial Registrar under Section 273 of Schedule 1 of the Workplace Relations Act 1996.

**Signed on behalf of the Committee of Management**

  
**Member of Committee – Scott Leach**

  
**Member of Committee – Colin Waller**

**Dated:**



# AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

## OPERATING REPORT

---

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2008.

### 1. Principal Activities of the Branch

The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Association during the past year fell into the following categories:

- Provision of Industrial support to members including advice on legal and legislative matters, contractual obligations and representation of individual members. Administration of Federal and State awards and the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines.
- Facilitating training courses such as Responsible Service of Alcohol and Responsible Conduct of Gaming to hoteliers and their staff in order for them to comply with the requirement for the operation of their liquor licence.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, Business Exchange, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community.
- Provision of Counselling Service to problem gamblers to minimise harm.

### 2. Financial Activities of the Branch

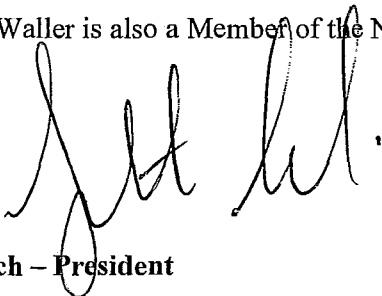
- There were no financial activities of the Branch.
- The amounts received from the Association were higher than the previous year and the total amount received was paid to the National Organisation as capitation fees.

### 3. Committee of Management Members

The following persons were Delegates of the Branch to the National Board during the year ended 31 December 2008:

Colin Waller, Bruce Woods, Phillip Webster, Lynette Humphreys, Scott Leach and Patrick Gurr.

Colin Waller is also a Member of the National Executive.



**Scott Leach – President**

Dated:

*17 March, 2009*

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

---

**Report on the Financial Report**

We have audited the financial report of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) for the financial year ended 31 December 2008, consisting of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity, Notes to the Financial Statements, Certificates of the Accounting Officer, Statements of the Committee of Management and Operating Report set out on pages 1 to 28.

**The Financial Report and Committee of Management Responsibility**

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth). This includes responsibility for the maintenance of 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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of 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.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements, the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth).

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH (cont.)**

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**Audit Opinion**

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Association, its controlled entities and the Branch during the financial year including records of the sources and nature of income (including income from members) and of the nature and purpose of expenditure of the Association, its controlled entities and the Branch; and
- (ii) the accompanying financial report (including the Statements of the Committee of Management and the Operating Report) set out on pages 1 to 28 which have been prepared under the historical cost convention as stated in Note 2, are properly drawn up in accordance with the provisions of the Regulations under the Industrial Relations Act 1996 (NSW) and Sections 252-254 of Schedule 1 of the Workplace Relations Act 1996 (Cth) and applicable Australian accounting standards, professional reporting requirements and Urgent Issues Group Consensus Views, so as to give a true and fair view of:-
- a) the state of affairs of the Association, its controlled entities and the Branch as at 31 December 2008; and
- b) the performance of the Association, its controlled entities and the Branch for the year ended on that date; and
- (iii) all of the information and explanations that officers or employees of the Association were required to provide pursuant to the Regulations under the Industrial Relations Act 1996 (NSW) were provided; and
- (iv) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996 (Cth); and
- (b) other mandatory professional reporting requirements in Australia.



**V J RYAN & CO**  
**Chartered Accountants**

**Level 5**  
**255 George Street**  
**SYDNEY NSW 2000**



**Partner: Peter Gerard Crawford**

**Dated: 4 March 2009**

**COMPILATION REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

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The additional financial data presented on pages 32-34 is in accordance with the books and records of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2008. It should be appreciated that our audit did not cover all details of the attached financial data.

Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. Neither the firm nor any member of the firm undertakes responsibility in any way whatsoever to any person (other than the Association, its controlled entities and the Branch) in respect of such data, including any errors or omissions however caused.

*V J Ryan & Co*

**V J RYAN & CO  
Chartered Accountants**

**Level 5  
255 George Street  
SYDNEY NSW 2000**

*P G Crawford*

**Partner: Peter Gerard Crawford**

**Dated: 4 March 2009**



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>INCOME</b>		
Member Subscriptions	4,107,245	4,298,499
Interest Received	402,229	255,548
Insurance Commissions	89,790	107,399
Income from Membership Activities	2,114,330	2,488,913
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
	<u>8,398,033</u>	<u>7,983,692</u>
<b>EXPENDITURE</b>		
Accounting and Consulting Fees	33,647	19,530
Accommodation Division	178,219	223,668
Advertising and Staff Hire	11,207	37,846
Administration	4,796	18,495
Annual Report	11,907	12,904
Annual Leave Accrued	-	(8,410)
Auditor's Remuneration	24,400	23,430
Bank Charges	29,547	36,449
Capitation Fees	249,386	249,386
Cleaning and Laundry	29,675	29,182
Computer and Development Costs	196,787	124,419
Consultancy	185,554	100,854
Delegates	84,485	67,593
Depreciation	221,664	174,893
Donations	194,808	638,086
Doubtful Debts Allowance	2,176	41,025
Electricity	14,936	8,766
Executive Administration	377,623	312,843
Executive and Committee of Management	198,372	126,110
Flowers and Plant Hire	8,733	10,591
Fringe Benefits Tax	26,784	24,521
Gaming Department and Research	309,519	210,970
Hotel News	182,455	158,040
Insurance	60,573	55,234
Industrial and Membership	35,145	96,279
Leasing Interest	47	2,751
Legal Fees	612,159	587,352
Long Service Leave Provided	27,183	26,221
Loss on Disposal of Assets	-	4,879
Marketing	402,923	451,516

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT (cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>EXPENDITURE (cont.)</b>		
Membership	161,822	167,004
National Executive and Board Meetings	23,733	23,737
National Office Costs	69,444	24,000
Parking Levy	9,500	9,150
Payroll Preparation	2,644	2,260
Payroll Tax	109,303	85,529
President's Allowance	60,000	60,000
Printing and Stationery	6,995	584
Public Relations	120,781	35,293
TVN/TAB Expense Allocation	323,935	323,935
Pubstay	20,789	21,920
Rates, Taxes and Strata Levies	99,592	89,189
Regional Meetings	42,529	26,534
Repairs and Maintenance	12,381	23,503
Salaries and Wages	2,224,829	1,691,145
Security	274	1,865
Sponsorship	36,280	127,891
Staff Amenities	24,036	9,691
Staff Training and Recruitment	6,861	14,166
Sub Branch Subsidies	5,000	-
Superannuation	186,846	142,095
Telephone	85,607	52,492
Training Department	115,528	220,002
Travel	8,854	7,403
	<u>7,472,273</u>	<u>7,024,811</u>
<b>Profit for the year</b>	<u>925,760</u>	<u>958,881</u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<hr/>		
<b>INCOME</b>		
Amount Received from Australian Hotels Association (NSW)	249,386	249,386
<b>EXPENDITURE</b>		
Capitation Fees paid to National AHA	<u>249,386</u>	<u>249,386</u>
	<u>          -</u>	<u>          -</u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF SECRETARY**

---

I, Colin Waller, duly authorised officer of Australian Hotels Association (NSW) and its controlled entities, hereby certify that the documents lodged herewith are true copies of the financial statements, Auditor's Report and certificates presented to the:

Annual General Meeting of Members of the organisations held on 21 April 2009 and/or

the Committee of Management Meeting held on 4 March 2009 in respect of the financial year of the organisation ended 31 December 2008.

That the full report was presented.

Secretary

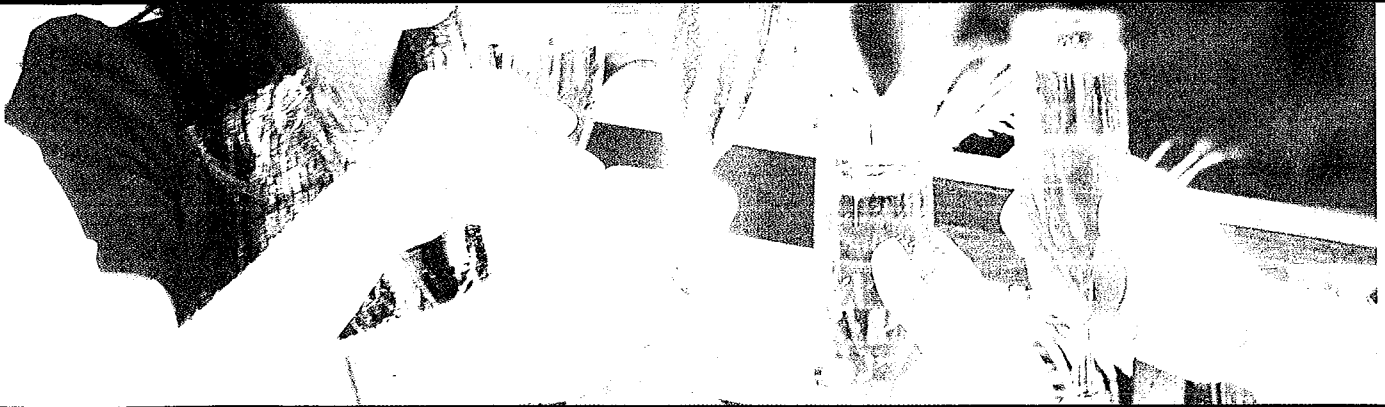


Dated: 21 APRIL 2009

"Attachment 'C'"

2008

# annual report



legal advice media & communications publications training



community support accommodation events sponsorship



industrial relations responsible service member services

# 2008 AHA (NSW) AWARDS FOR EXCELLENCE

## General Division Winners



Environment Initiative of the Year  
Winner: Macquarie Hotel, Surry Hills

Tourism Initiative of the Year  
Winner: Jackson's on George

Accommodation Hotel of the Year (City)  
Winner: Coogee Bay Hotel, Coogee Bay

Accommodation Hotel of the Year (Country)  
Winner: Harrigan's Irish Pub River Lodge,  
Harrington Waters

New Community Initiative of the Year  
Winner: Hillside Hotel, Castle Hill

Live Entertainment Hotel of the Year  
Winner: Mean Fiddler, Rouse Hill

Leisure Entertainment Hotel of the Year (City)  
Winner: Coogee Bay Hotel

Leisure Entertainment Hotel of the Year (Country)  
Winner: Towradgi Beach Hotel, Towradgi

Retail Liquor Outlet of the Year (City)  
Winner: Mean Fiddler, Rouse Hill

Retail Liquor Outlet of the Year (Country)  
Winner: The Oxford Hotel, Bathurst

PubTAB of the Year (City)  
Winner: Gladstone Hotel, Dulwich Hill

PubTAB of the Year (Country)  
Winner: The Bradford, Rutherford

Hotel Redevelopment of the Year  
Winner: Terrey Hills Tavern

Casual Dining Hotel of the Year (City)  
Winner: The Winston, Winston Hills

Casual Dining Hotel of the Year (Country)  
Winner: The Junction Hotel, The Junction

Hotel Restaurant of the Year (City)  
Winner: Cruise Bar, Circular Quay

Hotel Restaurant of the Year (Country)  
Winner: Gunyah Hotel, Belmont

Gastronomic Hotel of the Year (City)  
Winner: The 3 Weeds Hotel, Rozelle

Gastronomic Hotel of the Year (Country)  
Winner: The Oxford Hotel, Bathurst

Hotel Bar of the Year (City)  
Winner: Ravesi's on Bondi, Bondi Beach

Hotel Bar of the Year (Country)  
Winner: Zedbar, Albury

Heritage Hotel of the Year  
Winner: Sea Horse Inn Hotel, Boydtown

Trainee or Apprentice of the Year  
Winner: Peta-Jean McCarthy, Intersection  
Hotel Ramsgate

Young Achiever of the Year  
Winner: Christopher Egan, Duke of Kent Hotel,  
Wagga Wagga

Employee Excellence in Service  
Winner: Todd Weeks, International Golf Resort, Bonville

Long Term Employee of the Year  
Winner: Jenny Farrell, Macquarie Hotel, Surry Hills

Chef of the Year  
Winner: Daniel Fountain, The Watershed,  
Darling Harbour

Bar tender of the Year  
Winner: Luis Bruce, Cruise Bar, Circular Quay

Hall of Fame 2008  
Nick Feros  
Theo Feros  
Margaret Maloney

Country Pub of the Year 2008  
Winner: Junction Hotel, The Junction

Hotel of the Year 2008  
Winner: The Winston, Winston Hills

# AHA (NSW) State Council 2008

# annualreport 2008

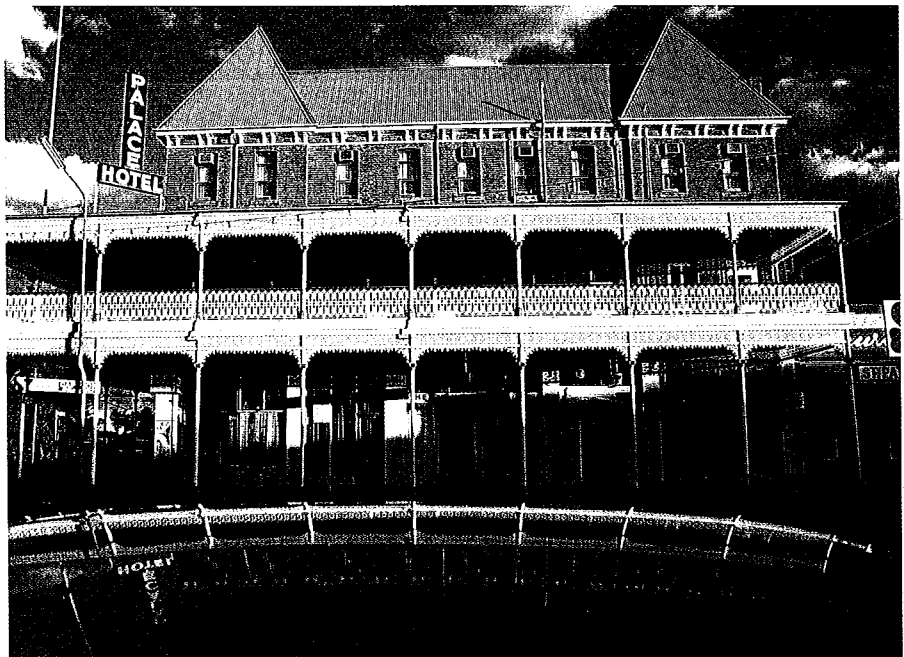
## **Metropolitan:**

Arthur Laundry (Bankstown); Peter Adams (Blacktown & District); Bob Bourne (Central Coast); Paul Dirou, John Franks, Kim Maloney (City Central); Jenny Farrell, Malcolm McGuinness (East Central); Scott Young, Robert Lees (Eastern Suburbs); Phillip Webster (Fairfield/Liverpool); Maureen Thornett, Neville Blair (Leichhardt/Glebe); John Thorpe (Manly/Warringah); Glen Stanford, Colin Parras (Near West & Blue Mountains); Scott Leach, Penny Page (Newtown); Peter Calligeros (North Sydney); Michael Kilkeary (Northern Suburbs); Ross Colosimo (Parramatta); William Ryan, Brett Neilson (South Sydney); Lynette Humphreys (St George/Sutherland); John Daly (Western Suburbs).

## **Country:**

Daniel Burke (Albury & District); Dean Trengove (Barrier); Tony McClure (Canobolas); Erik Ozols (Castlereagh/Barwon); Andrew Rendall (Chifley); Alan Cannon (Clarence River); Richard Gooley (Far North Coast); Denham Carter (Far South Coast); Mark Ryan (Goulburn & District); Gary Rollings (Hastings Manning); Karl Gilmore (Illawarra); Mick Grant (Lachlan); John Griggs (Macarthur & Southern Highlands); Donna Phillips (Mid-North Coast); Des Kennedy (Mudgee); Stephen Lawler (Murray); Rolly de With, Alan Moyle, Bruce Woods (Newcastle); Darren Thomas (New England); Lachlan Ford (Outback); Rod McDonald (Riverina); Jackie Harmey, Peter Harris (Snowy Mountains); Colin Waller (South Coast); Brad Shields (South West Slopes); Bevan Douglas (Tamworth & District); John Price (Upper Hunter); David Barnhill, Patrick Gurr (Wagga & District).

2	CEO'S ROUND-UP
3	FROM THE PRESIDENT
4	ACCOMMODATION DIVISION
5	INDUSTRY TRAINING
6	MEDIA & PUBLICATIONS
8	LIQUOR & GAMING
9	MEMBER SERVICES
10	EVENTS & SPONSORSHIP
11	LEGAL & INDUSTRIAL AFFAIRS
12	FINANCE REPORT
13	RESPONSIBLE GAMING
14	REFLECTIONS: FROM THE EXECUTIVE
17	ACCOMMODATION DIVISION 2008 WINNERS



"The AHA (NSW) is the hotel and hospitality industry association providing leadership and a responsible approach in representing the interests of members and other stakeholders to the Government and community.

The AHA (NSW) aims to provide cost effective support to the industry in promoting professional and ethical standards and management practice and in developing industry market opportunities."

## A YEAR OF GREAT CHANGE AND CHALLENGES

SALLY FIELKE — AHA (NSW) CEO

2008 was certainly a year of great change and many challenges for both the Australian Hotels Association (NSW) and the industry as a whole.



Internally at the AHA (NSW), there were a number of new appointments. I took over the reins from Brian Ross in March. Brian moved across to the more specialist role of Government Relations and Policy where he has been able to lobby Government on a full-time basis. The Association also made a number of other specialist appointments in terms of John Green as Director of Police and Regulatory Relations, Andrew Fletcher as Director of Marketing and Operations, John Whelan as Director of Responsible Gambling (both NSW and Nationally) and Juliana Payne who now undertakes a dual role of Accommodation Division Manager both for NSW and Nationally. John Keating was farewelled after six years with the Association and Phillip Ryan was moved to the role of Director of Legal and Industrial Affairs. Behind this group are a dedicated team of staff who have worked very hard throughout the year to constantly grow and improve services to members and streamline the day-to-day operations of the AHA(NSW).

April saw a changing of the guard at the Executive committee level with the retirement of John Thorpe AM and the election of Scott Leach as the new President. Scott came on board with some clear goals for his Executive and the AHA (NSW) administration, stipulating that in 2008 the AHA (NSW) would "Review, Refresh and Re-connect".

This has been a consistent theme throughout the year as the AHA (NSW) and its members have had to re-address our relationship with Government and with several other stakeholders as we confronted the new *Liquor Act*, dealt almost weekly with the media on alcohol-related issues or gaming-related issues, continued to adjust to the smoking bans, lead the charge to eradicate local Government regulation for places of public entertainment, gathered solid industry data to support our response to the Productivity Commission inquiry into gaming, generated numerous fact sheets to brief Government or assist members, prepared endless submissions tackling liquor promotion guidelines, 72-hour closure orders, notice to produce records, unreliability of BOCSAR data, alternatives to the short sighted victimisation of 48 licensed venues and so on.

Through all of this, some of highlights for 2008 were the securing of hardship relief for NSW hotels in relation to payment of gaming taxation, the introduction of Keno into NSW hotels, the commencement of Hotel Employers Mutual – our industry specific workers compensation scheme offering up to 7.5 percent savings on premiums

– the re-launch of *Hotel News*, upgrading the AHA (NSW) website, launching the multi-lingual problem gambling poster, the running of numerous successful charity events and fundraisers by both the Association and members themselves and countless other small day-to-day achievements.

Congratulations must again go to our Deluxe Hotel of the Year for 2008, the Sofitel Sydney Wentworth and Hotel of the Year 2008, The Winston. It was also a pleasure to be able to induct some worthy recipients into the AHA (NSW) Hall of Fame in 2008 – Margaret Maloney, Nick Feros and Theo Feros. David Thomas was also a well-deserved inductee into the AHA National Hall of Fame. All of these individuals are industry leaders who have committed countless and tireless hours to the industry and their passion and drive has raised the industry bar in terms of setting new standards.

In terms of charitable events and community support, the ongoing generosity of AHA (NSW) members remained strong in 2008. Of note was the 11<sup>th</sup> Annual Coogee Bay Charity Golf Day which raised more than \$120,000 for the Sydney Children's Hospital Randwick; the Newcastle and Hunter Annual Charity Ball which collected \$40,000 and the Illawarra Charity Ball which collected \$28,000 – both for local charities. It was no surprise to see the results of our recent PriceWaterhouseCooper survey which revealed that the hotel industry nationally contributes some \$75 million dollars annually in terms of community support – \$20 million of that coming from New South Wales!

Now that we have some solid data at hand, 2009 will focus on promoting this fact to Government and the general community, something that is regularly promoted by clubs and needs to be better promoted by hoteliers.

The coming year will continue to present many challenges for the AHA (NSW) and for members particularly, as we monitor the global economy and turn the corner toward the 2011 NSW State election.

I want to thank AHA (NSW) members for their very open and honest dialogue throughout last year. Your participation is extremely valued by both the administration and the Executive team. I also thank the AHA (NSW) staff and dedicated Executive Committee for their support and dedication throughout 2008 and wish everyone all the very best for 2009.

## AHA (NSW) EXECUTIVE MEMBERS 2008

President  
Scott Leach

Senior Vice-President  
General Division  
Lyn Humphreys

Senior Vice-President  
Accommodation Division  
Richard Munro

Vice-President  
Patrick Gurr

Secretary/Treasurer  
Colin Waller

Metropolitan Representative  
Kim Maloney

Metropolitan Representative  
Paul Dirou

Metropolitan Representative  
Phillip Webster

Country Representative  
Peter Harris

Country Representative  
Bevan Douglas

Country Representative  
Bruce Woods

Accommodation Division  
Representative  
George Bedwani

AHA  
NSW



## A YEAR

# IN THE PUBLIC EYE

SCOTT LEACH — AHA (NSW) PRESIDENT



The Association has confronted significant legislative, regulatory and political change during the past year. As well, media scrutiny of hotels was at an historic high and the broader Australian community became locked into a debate over the roles of alcohol and gambling in a way that has not been seen before.

The media, in particular both of Sydney's major print outlets, continued to add hype instead of accurate and rationale debate, thereby producing a jaundice public and political perception.

Binge drinking issues became entwined with wowsersism and Governments responded to appease an un-informed general public.

This was no more evident than when a new Premier announced punitive measures against 48 venues in an attempt to address alleged alcohol related violence in a small minority of licensed premises.

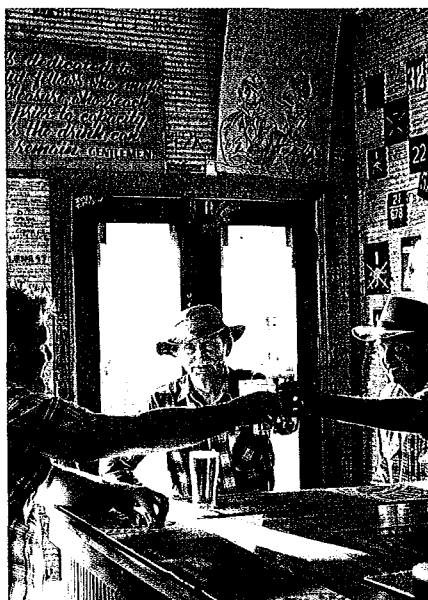
This draconian reaction, based on dated and extremely arguable policing statistics, allowed Government agencies to flex their muscles and hotels in particular remained under a spotlight. Thus far, none of the debate has centred on the personal responsibility of consumers or the fact that by far most alcohol is sold as 'take-away' from bottle shops and liquor barns.

A similar unabashed dishonesty is being used in campaigns to remove ATM's from licensed premises. The 2009 Productivity Commission Review of gaming, to which the AHA (NSW) has made detailed submissions, will shed a more honest light on this misguided crusade.

It was also expected that the increased regulation from a new *Liquor Act* and the cultural change of smoking bans would have both bedded-down during the past year. That has only partially occurred. The industry and consumers are still adjusting to these changes. There is also an evident trend emerging where local councils are taking an increasingly interventionist role in the regulation of licensed premises, particularly in regard to trading hours.

The Association's Executive continues to actively and aggressively seek a satisfactory resolution to these challenging issues to protect the commercial value of our members' business undertakings through consultation with Government, education of the consumer and a push for 'personal responsibility' laws in relation to patron behaviour.

The Association's push to remove unwarranted red-tape was rewarded with initial steps taken by the New South Wales Government to remove some of the regulation imposed by local government in regulating places of public entertainment.



Representations during the NSW Mini Budget and provision of a 'hardship payment' scheme for gaming duty demonstrated the ability of the Association to clearly communicate the difficulties faced by many members in the community.

The year has been a successful settling-in period for a new administration. From the top down, new personnel and systems, including a re-designed website and magazine and the Association's new Strategic Plan, have been put in place to enhance the delivery of service to members.

The Association's focus on tourism was ramped-up with the appointments of Stephen Lewis to the Board of New South Wales Tourism and Sally Fielke, Richard Munro and Marlene Poynder to represent both arms of the industry on *Brand Sydney* and the International Reference Group. In addition, it is with pleasure that I note the Government's commitment of an extra \$40 million to be outlaid promoting NSW tourism.

The AHA (NSW) formed a partnership with the National Office for the engagement of John Whelan to initially guide submissions to the Productivity Commission inquiry into gaming and oversee an Australia-wide economic survey to reveal the true contribution and worth of the hotel industry.

This Australia-wide statistical picture of the industry will be an important tool in future years in dealing with

Governments and oppositions. So much of what hotels do goes unreported – a staggering \$75 million per annum donated to charity, \$72 million invested annually in employee training and more than 120,000 people currently employed directly by the sector. The conclusions to be published will no doubt challenge much of the perception of our industry, even from the most outspoken of critics.

AHA (NSW) members have continued their generosity of past years. A new AHA (NSW) Foundation, whereby much of the hotel industry's charitable donations will be channelled, is being established. In addition to major annual events such as *Hotels Have Hearts* and the *Newcastle Charity Ball*, hotels responded to the tragedy in February 2009 by collecting in excess of \$1 million in donations and in-kind support to assist Victoria's bushfire victims.

In years to come, the period 2008-09 will be seen as one in which great change occurred but one which also heralded future change for the New South Wales hotel industry.

I remain grateful for the support and energy of the Executive Committee, the professionalism of the CEO and administration and humbled by the many conversations with members of the past year that have only made for a stronger resolve to pursue our future.

'The Association's Executive continues to actively and aggressively seek a satisfactory resolution to these challenging issues to protect the commercial value of our members' business undertakings through consultation with Government, education of the consumer and a push for 'personal responsibility' laws in relation to patron behaviour.'

## A YEAR OF RENEWAL

# NSW ACCOMMODATION DIVISION



### RICHARD MUNRO — Accommodation Division Chairman

2008 has been a year where the Accommodation Division moved forward with the goal to 'review, refresh and re-connect' and ended the year with strong membership figures and a commitment to continue working hard promoting the accommodation hotel sector.

#### Board activity

Over the past 12 months, the change in leadership within the AHA (NSW) has seen a renewed focus on the Accommodation Division and the setting of clear priorities to take the accommodation sector into the future. The priorities include new member development, member services, improved information dissemination, effective events management, development of corporate partners, pursuing the Division's strategic agenda and effective stakeholder management of the Accommodation Division.

The Board membership remained stable through this year, saying farewell only to Mark Ronfeldt. The Board took the opportunity this year to pass a resolution that it should include a minimum of one regional representative and that the Board should comprise a maximum of nine members. The Board also resolved to align its elections with the AHA (NSW) election of the Council/Executive Committee every two years and resolved that the expected attendance standards at Board meetings be a minimum of 50 percent of meetings each year, with the Chairman to review at his or her discretion any potential breach of the standard. These changes will bring further stability to the Board, as well as highlighting its commitment to addressing the needs of members in regional New South Wales.

For the final Board meeting in December 2008, an away day was organised at the Novotel Northbeach in Wollongong. A fruitful day was achieved, with activities including a policy planning session, a Board meeting, a member information forum with the general manager of the Novotel who provided extensive input on regional issues and a networking function for local accommodation, Government and tourism representatives.

#### Engagement with Government and community

The Accommodation Division increased its engagement with the NSW State Government this year. The AHA (NSW) undertook a focused campaign to support the case for continuing the \$40 million funding for tourism promised in the State budget, holding meetings with the Tourism Minister, signing a joint industry letter with the Tourism and Transport Forum, writing separately to the Premier, Treasurer and Tourism Minister and driving media articles in conjunction with the Tourism Industry Council.

The AHA (NSW) Accommodation Board hosted a working lunch with Minister for Tourism Jodi McKay MP, soon after her appointment as Minister and the Executive Director of Tourism NSW Lyndel Gray, to discuss their priorities for tourism in NSW. The AHA (NSW) also

worked with Tourism NSW on its official presentation to the steering committee that was developing a National Tourism Strategy, as well as being represented on the committee through the National Tourism Alliance.

The AHA (NSW) sent representatives to the Tourism and Transport Forum's Infrastructure Summit, held in Canberra in September to discuss with the Government and Opposition their policies regarding tourism, transport and infrastructure. The AHA (NSW) also continued to be represented on the Tourism Industry Council and other key organisations such as Australian Tourism Export Council and the National Tourism Alliance, to participate in State and Federal tourism and infrastructure policy debates. In addition, the AHA (NSW) worked to ameliorate some of the negative effects of the World Youth Day event on its members, with media articles and support for members during this time.

In October, Events NSW hosted a special briefing for AHA (NSW) members on the new Master Calendar of events for 2009 and the Accommodation Division held a general manager's lunch forum with Business Events Sydney CEO Jon Hutchinson in November to discuss their new business events strategy.

The Accommodation Division worked with Tourism NSW late in 2008 to develop and promote their 'Suite Sydney' promotion designed to assist five star hotels during the traditionally quiet post-holiday period, with most members participating in this promotion. The Division also worked with Events NSW and Business Events Sydney on campaigns such as 'Vivacity' and attracting major events to Sydney and NSW.

After discussion with members in Newcastle, the AHA (NSW) wrote to Newcastle Council on the illegal short term letting issue. In addition, the AHA (NSW) engaged with the Real Estate Institute of NSW on their Code of Conduct for short term letting, as well as meeting with key representative on this issue.

AHA (NSW) representatives also met with City of Sydney Chief Executive Monica Barrone and senior planning staff to consider future hotel and hospitality needs for Sydney and set down a plan of action to move forward.

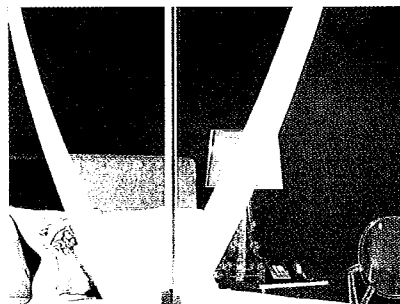
During 2008, the AHA (NSW) participated in Sydney Water's *Every Drop Counts* business program, with members rising to the challenge of trying to reduce negative impacts on the environment.

#### Events and forums

Two Accommodation Chairman's networking functions were held – in winter at the Zeta Bar in the Sydney Hilton and at Christmas at the ECQ Bar at Quay Grand. Both attracted an excellent turnout from member hotels and the tourism industry in general. Tourism Minister Jody McKay MP attended the Christmas drinks, addressing members and guests.

The Accommodation Division Awards for Excellence in May recognised the outstanding achievements of accommodation hotel members in NSW and more than 530 guests enjoyed a wonderful evening to see peers, colleagues and hotels awarded the most prestigious awards in the hospitality industry. A full list of winners can be read on page 17.

In May 2008, Blake Dawson's held a legal issues update for AHA (NSW) members and in October, the



'The priorities include new member development, member services, improved information dissemination, effective events management, development of corporate partners, pursuing the Division's strategic agenda and effective stakeholder management for the Accommodation Division.'

Accommodation Division organised a seminar for general managers and senior staff with Cushman & Wakefield Hospitality, providing the accommodation market outlook for 2009 and a detailed analysis of past and current trends for Sydney.

**Member services**

An opinion survey of accommodation members was undertaken as part of the overall review of services late in the year. The survey demonstrated positive and supportive attitudes from members, who stated they value the services, assistance and communication from AHA (NSW) and helped to set directions for future improvements. A copy of the summary report is available on the AHA (NSW)'s official website.

The Accommodation Division has provided its annual Discount Rates Guide online to members, their spouses, partners and children, through the AHA (NSW) website. The Salary Survey saw more than 50 percent of members participating, providing a robust and reliable survey of salaries and benefits for members to reference in benchmarking their staff remuneration. The Division is continuing to develop the AHA (NSW) website as the

central point of information for members, with a new section for Accommodation members. It provides information on tourism, the hotel sector, Government policy issues and other relevant briefings. Information will be uploaded here for members to access at their convenience, with email updates to be sent out to inform members when new information is available.

In 2008, the AHA (NSW) maintained its Statistical Exchange program for members to input and access information on trends in room rates and occupancy, as well as providing access to the STR Global statistics program at a discount to AHA (NSW) members.

**In closing...**

The current financial and political environment highlights the importance of being part of a strong, unified industry organisation that is engaged with both State and Federal Governments on the issues that affect members. The AHA (NSW) Accommodation Division ended the year with more than 90 members and looks forward to attracting more members to benefit from being part of a solid industry organisation working hard to promote and sustain the hotel sector.

**Accommodation Board members as at December 2008**

- Richard Munro  
Star City Hotel & Serviced Apartments (Chair)
- Stephen Lewis  
Four Seasons Hotel Sydney (Deputy Chair)
- Patrick Griffin  
The Observatory Hotel
- George Bedwani  
Metro Hotel Sydney
- Peter Thompson  
Four Points by Sheraton Darling Harbour Sydney
- Marlene Poynder  
Park Hyatt Sydney
- Ralf Bruegger  
The Sebel Pier One
- Michael Johnson  
Amora Jamison Sydney

# LAYING THE FOUNDATIONS FOR A NEW LEVEL OF INDUSTRY TRAINING

**KATE ROWE — Training Administrator**

With the introduction of the new *Liquor Act 2007* and significant changes to the *Gaming Machines Act 2001*, it was imperative that the AHA (NSW) Training Department started taking the necessary steps to tailor training courses and programs accordingly.

2008 was a year devoted to laying the foundations for taking training to a new level for AHA (NSW) members.

2008 saw the introduction of the new *Liquor Act 2007*, the *Liquor Regulation 2008* and various significant changes to the *Gaming Machines Act 2001*. The Training Department endeavoured throughout the year to ensure all new entrants to the industry were not only current but provided with tools to keep up-to-date with any new changes.

Besides the provision of staple courses such as the Responsible Service of Alcohol (RSA), the Responsible Conduct of Gambling (RCG) and Occupational Health and Safety (OHS), the AHA (NSW) Training Department has been investing energy and time in establishing new partnerships with industry recognised and quality Registered Training Organisations (RTO).

Whilst it has been agreed that the AHA (NSW) maintains its RTO status for the purpose of conducting RSA and RCG courses, it was also acknowledged that it would be cost-prohibitive and logistically impossible to provide for all the training needs of members throughout NSW.

Therefore, after taking into account the limited access to our regional members, our reputation in the hospitality industry and the longevity of the RTO, the Training Department is in the process of formulating a partnership agreement between TAFE NSW and the AHA (NSW).

As a result of the effort expended in 2008, members throughout the State can expect access to

Government-funded traineeships and apprenticeships through the services of TAFE.

All too often, the Training Department has received complaints from members of the unreliability and lack of contact experienced by their trainees. So the decision to develop a relationship with TAFE is expected to address those issues.

TAFE has 130 sites across New South Wales. The delivery options of courses include face-to-face, online, flexible delivery and workplace assessment.

TAFE has up-to-date knowledge of training incentives from the Federal Government and State Government which includes funding for 'new entrants' and/or 'existing workers' for Certificate III, IV in Hospitality and Frontline Management.

It also includes Security Programs such as Certificate II and II in Security Operations. As this is part of the Government 'Productivity Places Program', it can be seen as a very valuable training package for those of our members who have a Master Security Licence.

2008 also saw the Training Department, as part of a work group with the NSW Food Authority and other representatives of the hospitality industry, develop a training initiative to food safety.

As the reputation and indeed the very existence of a hotel is dependent upon training in food safety for food handlers, it was necessary to be part of the Work Group to voice the hotel industry's viewpoint and concerns.

In anticipation of any possible outcome, the Training Department is establishing a response for nationally accredited training so that members are prepared for any contingency and possible regulatory requirement.

As a result of these foundations being laid in 2008, the Training Department believes that a stable and steady platform has been developed to meet all the challenges of 2009.

The year ahead will be an important one for the hotel industry to put into place robust and well-trained staff in all of your venues around the State.



# A NEW DESIGN FOR THE LEADING INDUSTRY PUBLICATION AND MAXIMISING EFFECTIVE COMMUNICATION TO MEMBERS

**SAMANTHA PANIGIRIS — Publications Manager**

## Hotel News

The hotel industry's leading publication, *Hotel News*, had an exciting year in 2008, with a re-launch in October. The fresh look and new design has proved popular with readers and members alike and was celebrated with a launch party at the Pumphouse, Darling Harbour also as a special thanks to the support given by advertisers for several years.

*Hotel News* continues to cover all of the industry's top stories. During 2008, these included:

- Late trading hotel in Newcastle face curfews and a ban on serving RTD's after midnight;
- The AHA (NSW) launches a specialised workers compensation scheme;
- Use of police linking project data and ongoing concerns;
- Regional Sub-Branch Meetings: a strong focus on hotel compliance and policing;
- A time for tourism in NSW to take the lead;
- 'Small bars' are introduced in New South Wales;
- A new generation in leadership: the AHA (NSW), together with accommodation hotels tackle key issues head on;
- Promoting responsibility of individuals is the key;
- The Kent Brewery turns over a new leaf and Foster's Group vacates the premises on 25 July 2008;
- The Steyne Hotel Manly becomes the first hotel in New South Wales to voluntarily ban the sale of alcopops;
- The implementation of the new *Liquor Act 2007* sees the biggest change of liquor laws in 25 years;
- The value of hospitality industry apprenticeships;
- The NSW Supreme Court hands down its decision on outdoor smoking areas;
- The AHA (NSW) targets research and promotion of gambling harm minimisation;
- The Golden Sheaf Hotel in Double Bay is awarded with having the best pub burger in New South Wales;
- Local Liquor Accords: how they operate and how community spirit plays a part.

Distribution remains at 3,000 copies per month and in 2008, *Hotel News* welcomed the following new advertisers: Gilchrist Hotel Brokers, Panasonic, James

Clifford Constructions, Independent Gaming, Sure Security, H&L Australia, Keno, Management Group Australia, Gold Crest Security, Torino Food Distributors, Snell Architects, Karo Australia, Premier Building Group.

## Member Update

*Member Update*, the fortnightly newsletter produced by the Publications Department, provides up-to-date information on key industry issues and upcoming events.

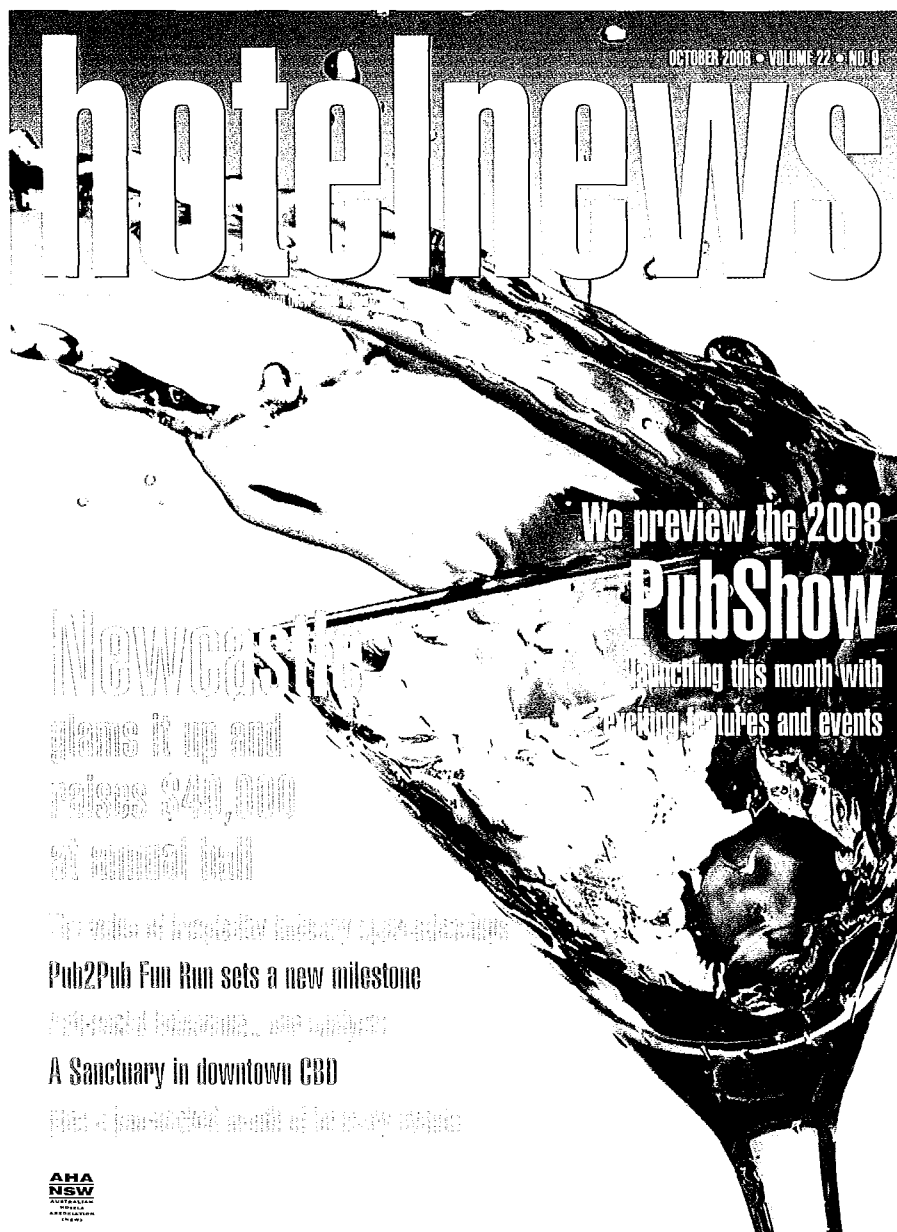
In 2008, the Publications Department provided information on Occupational Health & Safety issues,

compliance matters, upcoming industry events and special AHA (NSW) announcements, details on trading hours, training courses and regular updates on the content of the Association's official website.

In 2009, the *Member Update* will also be redeveloped in line with the Association's aim to 'refresh, renew and re-connect' the way members receive their information – whether it be on a daily, weekly or monthly basis.

## Event Coverage

The Publications Department was again successful in covering all the key industry events in *Hotel News*.



'The hotel industry's leading publication, *Hotel News*, had an exciting year in 2008, with a re-launch in October. The fresh look and new design has proved popular with readers and members alike and was celebrated with a launch party at the Pumphouse, Darling Harbour also as a special thanks to the support given by advertisers for several years.'



In the February 2008 issue, *Hotel News* covered the annual Illawarra Sub-Branch Charity Ball, held at the City Function Centre where \$28,000 was raised for various local charities including the Australian Aerial Patrol, Ceniacare and the Illawarra Academy of Sport.

The Superboat Grand Prix launched in Sydney in March 2008 and was the first ever powerboat race in Sydney Harbour. This event attracted saw a lot of tourists visiting our city over the two-day event.

The AHA (NSW) was a valuable supporter at the Bound for Beijing gala dinner, in support of the Australian athletes who went on to compete in the 2008 Olympic Games in Beijing.

In March, Hilton Hotels Australasia committed to channelling their fundraising efforts to one designated charity. An example of this was the very successful World's Greatest Shave at the Hilton Sydney, where more than \$10,000 was raised on the day for the Leukaemia Foundation.

On 9 May 2008, the State's 3, 4 and 5 star hotel industry celebrated the Accommodation Division Awards for Excellence in style, held at Four Seasons Sydney. At this prestigious event, the Sofitel Sydney Wentworth, after undergoing a \$10 million enhancement, was awarded 2008 Deluxe Hotel of the Year. The AHA (NSW) also presented a \$10,000 cheque on the night to the Day of Difference Foundation.

Also in May, the Coogee Bay Hotel presented a \$101,000 cheque to the Sydney Children's Hospital from funds raised at the annual charity golf day.

The following month, the Hillside Hotel donated \$50,000 to ONE80TC – an organisation which helps hundreds of young men suffering from addictions and readers were given a day-by-day account of the annual AHA (NSW) Conference to Macau and Hong Kong.

In July 2008, Manly's Steyne Hotel donated \$50,000 and the Tooheys Charge Golf Tournament was a success, raising \$20,000 for the Jack Newton Junior Golf Foundation.

NSW hotels once again proved they were tough to beat at the National AHA Awards for Excellence, collecting a total of eight awards and Jacksons on George's *Pull a Beer for Prostate* promotion was a success, raising \$4,000 for prostate cancer awareness and research.

In September, Newcastle turned on the glitz and glamour at the Newcastle City Hall for the annual Sub-Branch Charity Ball. More than 365 industry identities attended this popular event which raised \$40,000 on the night.

In the same month, the Mercantile Hotel raised \$40,525 and the Newport Arms Hotel's Pub2Pub Coastal Run raised a staggering \$100,000 for local surf clubs, the SES and NSW Rural Fire Services.

To wrap up the year, the industry's night-of-nights, the Awards for Excellence didn't disappoint. Congratulations again to The Winston, for taking out the acclaimed Hotel of the Year Award for 2008 and to Hall of Fame inductees Margaret Maloney, Theo Feros and Nick Feros.

On 10 December 2008, Astral at Star City was host to the Life Members Lunch where Graham Warren, Nick Balagiannis, Colin Ritchie and George Thomas were honoured for their outstanding contribution to the hotel industry in New South Wales.

#### Public Relations/Media Coverage

In 2008, the Association once again found itself in the media for several issues, all of which we responded to accordingly.

Some of the media releases we distributed on behalf of members and the industry included:

- 15 April: The beginning of a new generation leading the hotel industry;
- 4 June: Sydneysiders score some great hotel deals for World Youth Day;
- 6 June: Keeping the flavour in Beaumont Street;

- 24 June: Pubs fight back against wowsersism and shutdowns (supported by a press conference);
- 12 August: AHA (NSW) welcomes Parramatta alcohol-free zone extension;
- 18 August: AHA (NSW) outraged at false allegations by Councillor;
- 30 October: AHA (NSW) supports targeting high risk venues (supported by a press conference);
- 3 November: Hamilton Liquor Accord announces new initiatives;
- 2 December: Liquor Laws flawed (supported by a press conference).

#### AHA (NSW) website

In September 2008, the AHA (NSW) re-launched the official website, designed to offer members a one-stop-shop for services and information.

Via the new website, members can:

- Update details online and renew membership subscriptions;
- Request Sub-Branch Meetings online and order signage;
- Read *Hotel News* and *Member Update* online and download fact sheets;
- View events and photo galleries online and read the latest industry news.



# A TIMELY APPOINTMENT PROVES BENEFICIAL

## OFFERING MEMBERS EVEN MORE RESOURCES & ADVICE



**JOHN GREEN** — Director Policing and Regulatory Relations

2008 was the inaugural year for the role of AHA (NSW) Director of Policing and Regulatory Relations (DPRR)... and what a year it was! Having commenced in March 2008, this new role within the AHA (NSW) was timely and would offer members an even greater suite of resources.

In terms of activity during the year, it is not surprising that the majority of flashpoints were created or perpetuated by the media, with incongruous responses by Government, NSW Police and the Office of Liquor, Gaming and Racing (OLGR).

The following are some key issues that affected the AHA (NSW) since my commencement in this important role in March 2008.

### Top 100 hotels

In March, the *Daily Telegraph* published a list of the so-called "top 100 pubs and clubs for violence" on their front page. The list was compiled using Bureau of Crime Statistics and Research (BOCSAR) data listing licensed premises with the highest number of reported assaults, on premise. The data provided was up until September 2007, six months out of date. The AHA (NSW) objected strongly that the data was flawed, took no account of the patron capacity of the premises and did not analyse the data. Many of the incidents attributed had occurred outside the venue when people refused entry then assaulted staff, had occurred across the road and didn't involve the premises at all, or was an allegation unsupported by evidence. But, the damage was done and the media dined regularly on the "list of violent pubs".

### Section 66A (Liquor Act 1982) — Director's investigation powers

The Director of Liquor and Gaming responded to the naming of these premises by developing his own list of top 25 premises. Rather than using the same BOCSAR data, the Director used older data from the same source. Each premises was contacted by an OLGR Inspector and asked to provide a massive amount of information, including CCTV footage for the preceding 30 days, business records and incident registers. For one premise, this would have cost more than \$40,000 in a hard drive to store the images from 80 cameras. The AHA (NSW) challenged the process, which led to the Director relaxing the demands. One of the premises involved supported by the AHA (NSW) sought to challenge the section 66A process in the Supreme Court, however, in a farcical situation the Director continually withdrew the notice subject to the challenge then issued another slightly different one.

The Director then brought the top 25 hotels together in a "Best Practice" forum. During that forum, he told those present that they actually represented the iconic hotels of NSW and many had developed and maintained the most effective strategies and that he understood the size and nature of their premises and would continue to work with them in a collaborative fashion. Perhaps he should have told the Government of this commitment.

### Top 48 hotels

In October 2008, the NSW Premier announced a series of measures to "get tough" on alcohol-related anti-social behaviour. One of the measures announced at this time was the targeting of the so-called "top 48 pubs and clubs for violence" with a series of conditions to be imposed upon their licences. The list of premises was provided to the Premier by the Commissioner of Police and consisted BOCSAR raw data for the 12 months ending July 2008.

The conditions imposed included:

- Removal of all glass drinkware (including bottles) from midnight;
- 2am lockouts;
- Drink quantities;
- A 10-minute alcohol "timeout" each hour after midnight; and
- Cessation of alcohol service 30 minutes prior to closing;

The AHA (NSW) challenged the validity of the data and posed a series of questions including:

- How did the premises get on the list?
- How long would they be on the list?
- How would they get off the list?
- How would the list be enforced?

The simple fact was that none of these answers were known at that time. The conditions were set to take place as of 1 December 2008, so the Government established a senior committee charged with working out how the decision would be implemented. It was then announced that the Premier's decision would be implemented by way of a Regulation, to be gazetted at 2.00pm on 28 November 2008. Nine of the hotels on the list chose their right to challenge their position in the new regulation in the Supreme Court. At 9.00am on 28 November, one hour before the court case commenced, the Government gazetted the Regulation – five hours early and directly designed to head off the hotel's challenge. Undeterred, the hotels continued their fight, now against the Regulation itself. The matter was listed for hearing on Wednesday 3 December 2008. What happened then shocked even those politicians that would never sympathise with hotels. On Tuesday 2 December 2008, the Government introduced into Parliament new legislation that transferred all of the Regulations into an Act of Parliament – effectively quashing the legal challenge. Even the 48 premises, erroneously named using suspect data would forever have their premises names enshrined in a schedule in the *Liquor Act* as

"declared premises" in 2008. This Act went through both Houses within that one day on party lines, so that on 3 December 2008, only one hotel continued the legal fight. Interestingly, the Government offered to pay all legal fees for the hotels that dropped out.

Premises on the list were subjected to a level of enforcement never seen before. At least two covert police or OLGR officers on premises each Friday/Saturday night, regularly asking staff to breach the law by serving shots, multiple drinks and even going to the length of secreting glass drinking vessels in a premise after the no glass conditions to see if staff would find them. Luckily, they did. Fines were issued for paltry offences, and the AHA (NSW) assisted all premises in responding to these breaches. We also met regularly with key hoteliers and briefed the affected hotels. The year ahead should see this travesty abandoned for a much better process that we are consulted in and ultimately can support.

### Section 54 (Liquor Act 2007) — Director's powers to impose conditions

Since 1 July 2008, when the new *Liquor Act 2007* commenced, the Director of Liquor and Gaming has had the power to impose conditions.

The process used was somewhat quizzical. Police made a submission, the Director would then send advice that he intends to impose the conditions asked for in 21 days, although the licensee has that 21 days to respond with any defence. This is like a Magistrate convicting someone of going through a red light, then asking the driver if he agreed and did he have another side, after conviction.

The most significant section 54 determination made by the Director related to the entire town of Bourke. The Director has imposed drastic conditions on the six venues that serve take-away alcohol to modify the behaviour of the five percent that cause trouble, disregarding many of the views of the 95 percent. The AHA (NSW) assisted in making a submission to the Director that led to significant alterations to those conditions.

### Glassings

The AHA (NSW)'s view is that any person who takes a glass and shoves it in someone's face deserves the full impact of the law. In 2008, there wasn't a massive increase in glassing type offences – there was a massive rise in the media hype for any offence broadly termed "glassing". A glassing quickly became any injury on or near licensed premises involving glass. With the media ramped up, police and the OLGR responded vigorously – not against the offenders but against the glass-drinking containers.

Any premise in Sydney who had any injury incident

Any premise in Sydney who had any injury incident involving glass in the last four years were the subject of a police submission against them to the Director of Liquor and Gaming. This required them to remove drinking vessels and bottles from the accessibility of patrons after a particular time, seven days per week and usually 30 minutes before the earliest time of any incident. Following our intervention, police had to at least negotiate with the premises involved – 74 of them in the Sydney CBD area.

#### Major events planning

In recent years, the response of police and the OLGR towards licensed premises during major celebratory and regional events throughout NSW has been one of heavy handed enforcement, with little scope for discretion or a more graduated response.

Through the DPRR role, the AHA (NSW) has developed a process for major events planning in conjunction with police, the OLGR and other agencies. Throughout 2008, I assisted and attended a number of tourism and regional events including the Bathurst V8 Supercars Race,

Jindabyne before the snow season, Bong Bong Picnic Races, Coffs Harbour Races and the Tamworth Country Music Festival. Feedback has suggested that this approach has been beneficial for licensees and police alike, with significantly reduced breaches and intoxication levels.

#### Region-specific issues

In many areas, different issues and different interpretations and attitudes by police and the OLGR have proved challenging. By attending and facilitating discussions between affected parties, the AHA (NSW) was able to negotiate with key stakeholders in relation to issues in areas such as Manly, Parramatta, Hamilton, Newcastle, Central Coast and Illawarra.

#### Security Division

Under changes introduced to the *Security Industry Regulation* in 2007, existing Class 1 C (Crowd Controller) Security Licence holders were required to undertake two modules of training upgrade by 1 November 2008, in order to maintain their licence.

Some 9,682 of the 25,000 1C Security Licence holders did not undertake this training by the required period, or notify the Security Industry Registry they no longer needed that category of licence. As a result, these licences were revoked by the Registrar. This has created a significant shortage, particularly in regional NSW, for trained, qualified and competent security officers.

New membership of the Security Division was recommenced in mid-2008 and 12 new members joined during the latter half of the year, as the effect of the security officer shortage was fully realised.

Having established the role of Director, Policing and Regulatory Relations during 2008, 2009 will provide opportunities to enhance the level and nature of assistance provided to members in relation to their dealings with Government and regulatory agencies at the local level.

In conjunction with the Legal and Industrial Affairs Department and AHA (NSW) Member Services, this will ensure members have the best advice and representation available at all times.

## NEW SERVICES AND NEW INITIATIVES RESULT IN STRONG MEMBERSHIP FIGURES AND SUPPORT ALL-ROUND

MICK GRANT — Membership Services Manager

The membership of the Association remained at a very healthy 88 percent in 2008, a most pleasing result given the circumstances surrounding the year. It is also gratifying to see so many members taking up our insurance products as well as Keno and TAB incentives.

Overall, we now have 680 hotels signed up for Australian Hospitality Insurance Services (AHIS) and at this rate, it should reach 800 in the year ahead. Hotel Employers Mutual (HEM) is also receiving good support and we have signed up 303 policies to date. When you consider that it only kicked off in April 2008 and renewals only come round in March, June and December, the response has been very positive.

Keno went live on 18 March 2008 and to date there are 558 hotels offering this service. From most reports it is and will continue to be a valuable asset for members.

The Memorandum of Understanding which was signed in February 2007 with TAB to provide a \$9 million investment commitment over three years is well underway with more than \$5 million invested in PubTABs across the State – and 464 hotels have received a financial benefit by way of refurbishment packages and sports betting units in the first year.

The introduction of Super Sub-Branch regional meetings throughout the State was also successful and they have been well attended. We will continue to hold them in locations across the NSW again in 2009. Many issues have been raised at these meetings and became evident that major concerns included the new liquor and gaming regulations that were introduced in the middle of the year. The AHA (NSW) Executive is constantly working with the authorities to try and iron out the more

onerous conditions that have been included in the new *Liquor Act 2007*.

There were two meetings held between all of the AHA membership departments around Australia during 2008, designed to share information and develop different strategies for each individual State. We now plan to hold these meetings annually and they will coincide with the AHA National Conference – the next one is being held on the 14 July 2009 on the Gold Coast.

Most members would be aware of the many changes we have had with Executive and staff and one of those additions was Sarah Calman who replaced Michael Collins in June 2008 as Member Services Co-ordinator.

One of the major jobs Sarah has undertaken is the upgrade of the AHA (NSW) database. This long-term project will result in a one-stop-shop for information AHA (NSW) services on a day-to-day basis.

There was an unprecedented update of information on the database in July which has been a fantastic help to everyone. We also have a direct link between the AHA (NSW) website and the database which now means that information from the database is published straight onto the website so that when changes are made, they are recorded immediately.

As part of the upgrade, we sent out the 2009 Membership Subscription Renewals for the first time via

a weblink, allowing hotels to access their individual subscription notices as well as update the information that we have on our database. Being the first time that we did this, there were a few minor problems, but overall there were positive results and we will continue to use this format in the future. For hotels that did not have an active email address, the renewals were sent by post. The final two renewal reminders for all hotels were also sent out by post.

We are currently working on streamlining the way that our database functions so that the information that we store can be extracted according to whatever need we need to know. For example, compiling a list of member hotels in a specific Federal Electorate area.

As a final note, keeping information on the database up-to-date at all times is a considerable task. So we would ask members that if there is a change of details at your hotel (i.e. Licensee, email address, mobile telephone number etc), please let us know so that we can make those amendments and so that you continue to receive all the relevant information and announcements.



# KEYS TO PROVIDING HIGH QUALITY PRODUCTS AND SERVICES TO MEMBERS

**ANDREW FLETCHER — Director Marketing & Operations**

Like most areas of the Association, the marketing and operations departments saw significant change. The constant in 2008 was the fantastic support from all of our Partners and Associate Members.

The Association would simply not be able to provide the same level of products and services to members without the contributions made by our Partners and Associate Members.

Throughout 2008, our Partners and Associate Members gave fantastic support to our industry events, conferences, regional meetings and various campaigns. These partnerships are critically important to a successful industry and the committed nature of the relationships serves hoteliers and suppliers alike, extremely well.

Within the Marketing and Operations Department, 2008 saw a focus on refreshing and renewing the way we did things. At the same time the department was laying important, strategic foundations for the future.

Members will have noticed throughout 2008 that the "look and feel" of our communications and publications has been updated. The website [www.ahansw.com.au](http://www.ahansw.com.au) and *Hotel News* were both re-launched during the year. The website has new functionality and improvements will continue to be made.

Different communication methods were employed during the year, including an emphasis on e-blasts and SMS alerts. Communicating more effectively with members began by improving the quality of the AHA (NSW) database.

Within four months of beginning the process, an error margin of less than one percent had been achieved. This gave us confidence that members were receiving relevant information in a timely manner – critical for the successful operation of any hotel.

Marketing collateral was updated continuously throughout the year with an emphasis on consistency, quality and creativity. These principles were carried through to our events which saw higher than normal attendance. The outcome from the marketing effort has been to strengthen the AHA (NSW)'s brand and project a contemporary image.

Internally, there were new processes implemented to gain efficiencies. These included regular team meetings, action plans and brainstorming sessions. The results were greater input from staff, a better use of skills and knowledge and more effective operations.

When it came to the events, feedback from members and sponsors was overwhelmingly positive. Some of the highlights included:

- **Accommodation Division Awards for Excellence**  
Held at the Four Seasons Hotel and attended by 530 guests, "A Night In The Vineyards" recognised industry leaders throughout metropolitan and regional NSW.
- **Accommodation Division Chairman's Drinks**  
Sponsored by AHS Hospitality, these events were held at the Hilton Sydney and Quay Grand and attended by more than 200 people.
- **City Hosts Country Conference**  
We welcomed more than 120 hoteliers, mainly from country NSW, to Sydney in 2008 for a busy three-day schedule. Kicking off with a spectacular dinner cruise on Sydney Harbour, members then attended trade



exhibitions and professional development sessions.

The Hostplus Rural and Regional Development Luncheon was held with special guest speakers, the Hon. Jodi McKay MP, Minister for Tourism and the Hon. Richard Torbay MP, Speaker of the Parliament.

A highlight for many was the John Thorpe Tribute Dinner where more than 450 guests came together in honour of the former AHA (NSW) President.

- **General Division Awards for Excellence**  
2008 saw a record number of submissions, finalists and guests in attendance at the Awards for Excellence Presentation Dinner, held at The Westin Sydney.  
The event focused on the most important aspect of our industry – people and how hotels bring them together. The highlight of the night saw the first female inductee to the Hall of Fame, Margaret Maloney along with brothers Nick and Theo Feros (pictured above).

'Marketing collateral was updated continuously throughout the year with an emphasis on consistency, quality and creativity. These principles were carried through to our events which saw higher than normal attendance. The outcome from the marketing effort has been to strengthen the AHA (NSW)'s brand and project a contemporary image.'

Diamond					
Platinum					
Silver					
Bronze					
Sponsor					



## A TIMELY APPOINTMENT PROVES BENEFICIAL

# OFFERING MEMBERS EVEN MORE RESOURCES & ADVICE

PHILLIP RYAN — Director Legal & Industrial Affairs



2008 was a year of challenges on a number of fronts. Internally, the AHA (NSW) went through a number of changes and most significantly for the Legal and Industrial Relations teams, was their amalgamation to create a one-stop-shop for members on legal and industrial relations issues.

In July, we saw the commencement of the *Liquor Act 2007* – the biggest overhaul of liquor laws in 25 years, which continued in late 2008 with subsequent 'political' amendments by media release. On the industrial relations front, there was the commencement of the staged implementation of the Federal Government's industrial relations policy, *Forward with Fairness* and the launch and implementation of *better jobs better hotels*, a luxury hotel campaign coordinated by LHMU.

### Legal and Industrial Affairs Department

The amalgamation of the legal and industrial relations departments was undertaken to provide members with a one-stop-shop. The overall purpose is to maximise our use of staff resources and ensure members can receive advice on a number of issues without being transferred to different people to deal with each individual issue. The Legal and Industrial Affairs Department can assist members with liquor and gaming matters, industrial and workplace relations matters, smoking (point-of-sale and enclosed areas), Austrac matters, PPCA and APRA and PoPEs. The department also assists the chief executive with internal matters such as compliance with the Rules and Constitution of the organisation and branch and internal litigation, such as the recent freedom of information matter. A report on some of the major issues or areas of work from 2008 is below.

### Advocacy

The AHA (NSW) has continued to provide quality and cost effective representation for members in the Australian Industrial Relations Commission and other courts and tribunals such as the Administrative Decisions Tribunal, Chief Industrial Magistrates Court, Federal Court of Australia and Federal Magistrate's Court of Australia.

These jurisdictions hear matters pertaining to unfair dismissal, unlawful termination, discrimination complaints and underpayment of wages.

Members may recall that in 2007, the AHA (NSW) achieved notable success in *Thompson v Big Bert Pty Ltd t/as Charles Hotel* which was heard over eight days before the Federal Court of Australia. In May 2008, we were successful in seeking a costs order on behalf of our member, the Charles Hotel.

### Anti-Discrimination

We have continued our focus on assisting members with their obligations under anti-discrimination legislation. We have also represented a number of members before

the Administrative Decisions Tribunal, Anti-Discrimination Board of NSW and the Australian Human Rights Commission with discrimination complaints involving employees and patrons.

### Austrac

Assistance was provided to members in preparation for the new Anti-Money Laundering and Counter Terrorism ("the AMLCT") laws. From 12 December 2008, hoteliers who have at least one gaming machine located on their premises are required to comply with the transaction reporting obligations under the AMLCT laws in an attempt to prevent the risk of money being laundered through their hotel in order to finance terrorist activity. The AMLCT also imposes reporting obligations on foreign exchanges transaction that are in excess of \$500.00.

### Award Modernisation — HIGA 2010

During 2008, the Federal Government implemented the award modernisation process, to develop and implement consolidated 'modern awards' that are easy to understand and apply in the workplace. The process is being undertaken in stages. The hospitality industry was identified as a priority industry and therefore dealt with in the first stage.

Throughout the latter half of 2008, the AHA (NSW) assisted the AHA National Office in drafting several submissions and made appearances before a Full Bench of the AIRC in relation to the modern hospitality award.

On 19 December 2008, a Full Bench of the AIRC released 17 modern awards including the *Hospitality Industry (General) Award 2010* ("the HIGA"). The HIGA will commence operating from 1 January 2010 and will supersede the operation of the *Hospitality Industry – Accommodation, Hotels, Resorts and Gaming Award 1998* ("the HIA") and the *Liquor & Accommodation Industry – Hotels, Resorts & Gaming (Managerial Staff) Award 2003*. The HIGA has not diverted much from the HIA which should make the transition easier for members.

### Constitution and Rules

The Constitution and Rules have continued to be reviewed. The AHA (NSW) Legal and Industrial Affairs Department is coordinating the drafting of proposed amendments, which are expected to be referred to members in early-mid 2009. These amendments will implement modern communication processes for sending meeting notices and implement the ability to use modern communication options for conducting

meetings.

### Fair Work Bill

On 25 November, 2008, the Fair Work Bill (FWB) was introduced into Federal Parliament. The FWB is the bulk of the Federal Government's *Forward with Fairness* policy and includes the National Employment Standards (NES) (see below). The FWB was subject to a Senate Inquiry. It is expected to commence in parts with some provisions commencing in mid 2009 and the remaining provisions to commence on 1 January 2010.

### Human Resource Managers Meetings

We have continued to hold regular meetings to address the Accommodation Division members on contemporary industrial relations and employment-related matters such as Award Modernisation, *Forward with Fairness*, workplace agreements, Anti-discrimination and termination of employment.

### Industrial Relations Seminars

We have continued to conduct seminars on topics such as Anti-Discrimination and Harassment, Counselling, Warnings and Fair Terminations and Know Your Award. Most of the seminars in 2008 were conducted internally for members. In 2008, employees from more than 120 member hotels attended internal or general member industrial relations seminars.

### Luxury Hotel Campaign — better jobs better hotels

In March, 2008, the LHMU launched their luxury hotel campaign, *better jobs better hotels*. The campaign identifies fair pay, quality jobs, a strong and effective voice, training and career paths and positive promotion of the industry as the key things they are fighting for.

Initially, the AHA (NSW) opposed entering into any agreement with the LHMU. However, the AHA (NSW) reconsidered its position and instructed the National Office to engage in discussions with the LHMU in relation to skills development, labour shortages and workplace safety, on the basis that any outcome is to be approved by the AHA (NSW) Executive Committee. At this stage, no agreement has been reached.

### Liquor Act 2007

The *Liquor Act 2007* commenced on 1 July 2008 introducing the biggest overhaul of liquor licensing laws in 25 years.

...continued next page...

Perhaps the biggest change was the introduction of an administrative based system of licensing and disciplinary processes, moving away from the adversarial system that was a feature of the previous legislation.

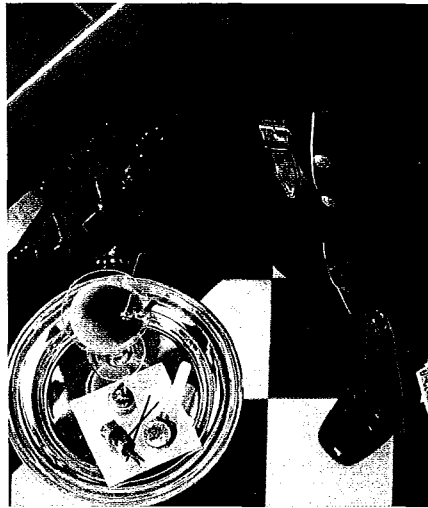
Apart from general advice and assistance, we have worked closely with John Green to assist members/the industry on issues including:

- 1. Sunday trading hours** – a general extension to Sunday trading hours was sought on behalf of members in conjunction with a number of State or national events throughout 2008.
- 2. Transitional issues** – we have made representation to the Government on a number of transitional issues.
- 3. Top 48 Licensed Premises Special Conditions** – we have provided assistance to those members who were subject to the political 'special conditions' amendments.
- 4. 72 hour closures** – we have provided assistance, support and representation to hotels served with 72-hour closures.

#### National Employment Standards

A key aspect of the Federal Government's industrial relations reforms, the National Employment Standards (NES) will increase the current minimum entitlements for federal system employees from five to ten entitlements.

The NES were released for public consultation in early 2008 and have since been incorporated into the Fair Work Bill (see above). The NES will build on the current Australian Fair Pay and Conditions Standard by adding community service leave (which also includes jury service), flexible working arrangements for parents,



information in the workplace via a fair work information statement, long service leave, termination of employment provisions and redundancy. The NES will commence on 1 January 2010.

#### PubOHS

The 2007/2008 PubOHS Program, funded under the WorkCover NSW WorkCover Assist Program was completed. This program focused on conducting a number of OHS audits of New South Wales hotels and reporting on the key findings through the PubOHS electronic newsletter.

#### Smoking

The definition of an enclosed area under the *Smoke-Free Environment Act 2000* and *Smoke-Free Environment Regulation 2007* was tested in *Dubbo RSL Memorial Club Limited & Anor v Steppat & Ors [2008] NSWSC 965*.

The main aspects handed down in the judgement of McClellan CJatCL were:

1. An area that is open to the sky is not an enclosed space in such an area, smoking is permitted; and
2. Where an enclosed area is immediately adjacent to an open area, the open area cannot be used in the calculation of whether the enclosed area meets the '75/25' calculation.

#### Telephone Inquiry Service

We have taken in excess of 10,000 member inquiries across a range of legal and industrial issues. The telephone inquiry service, which features a direct line to the Legal and Industrial Affairs Department, is the main contact point and service for members in this area.

#### Workplace Ombudsman

In 2008, the Workplace Ombudsman undertook a number of investigation campaigns. Relevant to AHA (NSW) members was a National Hospitality Campaign, focusing on wages and entitlement compliance across the hospitality sector nationally, and a Riverina Area Campaign focusing on the all employers in the Riverina region in NSW.

In the lead-up to both campaigns, members were provided with fact sheets and checklists to assist them with their obligations and invited to attend seminars on the award and other workplace relations obligations.

While the Workplace Ombudsman is still finalising the National Hospitality Campaign, reports based on the Riverina Campaign showed that members of the AHA (NSW) were generally more compliant than non-members.

## A CHALLENGING YEAR WITH CONTINUED SURPLUS

### PRABHU FERNANDO — Financial Accountant

The Income Statement for the year 2008 shows a net surplus of \$925,760 compared with a surplus of \$958,881 in 2007.

You will notice from the Income Statement that both member subscriptions and member activities income together have come down by almost \$565,000.

Included in the above surplus figure is a net sum of \$509,398 brought in as an amortised income less relevant legal fees in relation to TVN/TAB agreement.

The net sum is spread over three years— viz 2007 to 2009. We are also in receipt of \$750,000 due to the Keno establishment fees. These have mainly resulted in record profits two years in a row.

The Income and Expenditure Statement included gives more detail of movements in individual items – the most

significant being salaries/redundancies and legal fees \$2,224,829 and \$612,159 respectively.

The representation cost has been brought down by almost by \$443,000 as 2008 was not an election year. Any cost savings will be stored away for the upcoming 2011 election.

The Current Assets increased from \$4.5 million to \$5.3 million, mainly due to the receipt of \$0.75 million from Keno.

The Non-Current Assets decreased from \$5.4 million to \$5.3 million, mainly due to building depreciation.

The Current Liability decreased from \$2.3 million to \$2.2 million due to the reduction in trade creditors.

There was no significant movement in the Non-Current Liability.

The total members' fund increased from \$7.5 million to \$8.4 million due to the explanations above and this year's surplus of \$925,760.

We would like to thank all members for their continued support and we look forward to increasing our services in the coming year.

The accounting staff and treasurer wish to record our best wishes and appreciation to the retiring CEO Brian Ross and his successor Sally Fielke.



# AN UNCERTAIN CLIMATE

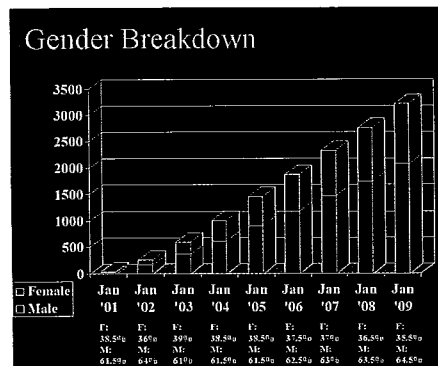
# ALTERS TRADITIONAL PATTERNS

ROWAN CAMERON — GameCare Manager



2008 has been a challenging year for GameCare as these times of uncertainty call for special adaptation to the changing needs of the problem gamblers we assist and the hotels we support through that process.

For GameCare, this climate of uncertainty has altered the traditional patterns of usage of our program by those who develop destructive gambling behaviours.

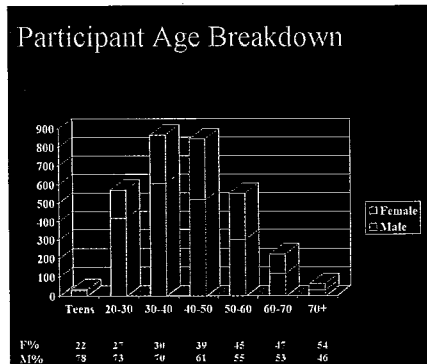


Although problem gamblers represent only 1 percent of the adult population, tougher times can be an invitation for some in this minority to gamble even more destructively. Yet for others, it's not so.

Take a look at our first graph. Although the result may not look significantly different from the previous years, there has been a large reduction in the number of women we are assisting with gambling problems, while the number of men we help has increased.

Female problem gamblers, who predominantly abuse their use of machines by escaping through them, appear to be sacrificing this behaviour, due to the tougher economic times. Yet we might conclude that this is not the case for their male equivalents that appear to have continued their destructive behaviour. Male problem gamblers have a much greater tendency toward risk-taking behaviour (such as double-up of winnings) compared to females.

'Although problem gamblers represent only 1 percent of the adult population, tougher times can be an invitation for some in this minority to gamble even more destructively. Yet for others, it's not so.'

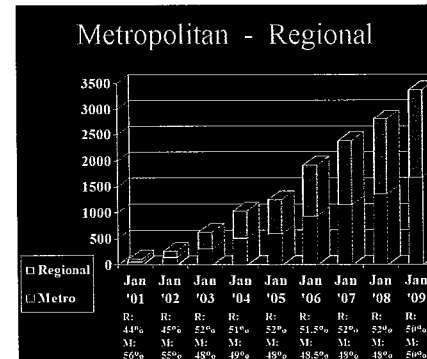


This graph depicting the age breakdown for GameCare usage shows a continued trend toward participation by people in their 30s-40s predominantly.

In 2008, only one teenager self-excluded using GameCare and only 10 females aged in their 20s sought help. The 50-plus age group saw a marked rise in male participation.

The graph below indicates another shift from the results of previous years. The number of self-exclusions conducted for the Sydney metropolitan area has equalled the total combined self-exclusions conducted for the rest of the State.

This may well be the result of regional parts of the State succumbing to the effects of the economic downturn a lot earlier than the Sydney metropolitan area. As a result, people have less money to allocate to leisure activities.



2008 was the year that GameCare entered into a new partnership with a specialist counselling service for people non-proficient in English. Despite the immense success of GameCare in providing potent tools of assistance for people with a gambling problem, one of the challenges we're yet to overcome is to effectively reach out to those from culturally and linguistically

diverse communities. To that end, the AHA (NSW) has joined forces with the Multicultural Problem Gambling Service (MPGS), a Statewide treatment service offering phone and face-to-face counselling in more than 40 languages. Together, we've printed and distributed the following poster which promotes GameCare self-exclusion from hotels in 20 languages. Your Association is proud of this initiative, which again demonstrates the commitment by NSW hotels to offering gaming in a safe and responsible manner.

**If gambling is causing problems in your life you can get help**

FOR FREE ASSISTANCE  
**phone: 1800 856 800**  
[www.dhi.gov.au/mpgs](http://www.dhi.gov.au/mpgs)

STRESS    CONFLICT    DEBT    GET HELP

Multicultural Problem Gambling Service & NSW Diversity Health Institute AHA NSW GameCare

'2008 was the year that GameCare entered into a new partnership with a specialist counselling service for people non-proficient in English.'

# reflections

On the following pages, we bring you reflections of 2008 from some of our Executive Committee members.



**LYN HUMPHREYS**

## SENIOR VICE-PRESIDENT

The past 12 months were challenging times for the hotel industry. The use of raw, non-verified data without proper analysis by Government agencies, has continued to unfairly target licensed premises.

The linking of alcohol with almost all anti-social behaviour and sensational media reporting, have reflected a less than true and accurate picture of the hotel industry in New South Wales.

The AHA (NSW) and the Liquor Committee, of which I co-chair, is dedicated to the mantra of 'local solutions for local problems' rather than the imposition of generic policy.

The Liquor Committee continues to consider a raft of issues – including implementation aspects of the *Liquor Act 2007* and the operation of local Liquor Accords, as well as guidelines for liquor promotions, CCTV installations, short-term closures and a practical solution for dealing with the risk assessment of licensed venues.

While much concern remains with local Council imposing stringent, unrealistic operating conditions and dictating shortened trading hours for hotels, there is hope that more streamlined arrangements will soon be introduced for venues which provide entertainment – through the abolition of the archaic and cumbersome Place of Public Entertainment approvals scheme.

From the meetings held with Government and the Office of Liquor, Gaming and Racing to the attendance of AHA (NSW) representatives at local Accord meetings, the Executive and staff have been there to assist, support, lobby and consult on the issues that go right to the heart of our core business.

It is my view that difficulties relating to anti-social behaviour and alcohol abuse will only be solved through a whole-of-community approach and long-term cultural change.



**PAT GURR**

## VICE-PRESIDENT

There has certainly been increasing pressure on the hotel industry with increased compliance and regulatory issues. In turn, this has put pressure on our members which increases the workload of the Executive and Administration of our Association to protect the viability of our industry.

The decision of Council to support Scott Leach as President, together with the appointment of Sally Fielke as our CEO has been paramount in coping with the challenges that have been thrown at us. The youthful energy, tireless effort and strategic passion are the characteristics that will restore the confidence in our industry to successfully move forward.

As Chairman of the TAB/Keno Committee, it is encouraging to be able to report that the co-operation between the AHA (NSW) and Tabcorp has produced some very solid performance numbers.

There are 1,041 hotels in NSW with PubTABS representing more than 52 percent of NSW wagering points of retail distribution. An estimated \$50 million spent in the last three years on these hotels has seen wagering turnover of \$1.216 billion in the financial year for 2007-2008. This equates to 36.3 percent of all retail wagering in the State.

NSW hotels are the fastest growing retail wagering channel with year-to-date growth of 16.1 percent, which delivered more than \$55 million to the NSW racing industry.

The first Keno site went live on 18 March 2008 and the focus, after the successful rollout, will now be a sales strategy to lift these numbers.

The Bounce Incentive Program will be launched in April 2009 with a Go Live scheduled for May 2009. This is a passive form of gaming requiring staff awareness and promotion for its success, the Bounce Program will be the catalyst for improve performance.



# reflections

## KIM MALONEY

### METROPOLITAN REPRESENTATIVE

The challenges facing New South Wales hoteliers have been and will continue to be significant, however, I know of no other industry that has the resilience, diligence and family-orientated focus as ours.

Undoubtedly our greatest challenge is to maintain our voice and credibility with all levels of Government, the police and the community at large. Our contribution as hoteliers to our local community must always be amplified and never taken for granted. Our determination to be heard must be resolute as it could ultimately affect the viability of our industry.

The issues of operating hours, requirements to alcohol service and the contraction in consumer activity and confidence, to name a few, will test our resilience. As always, we will combat this with a refurbishment, tighter control of costs or smart marketing initiatives.

Hotels have always been a focal point of our community but as 2008 came to an end, it became clear that expectations had changed. The Responsible Service of Alcohol and the impact of hotels on the local amenity came into sharper focus. The need to embrace the Local Liquor Accord and work with the stakeholders in our community became paramount.

Despite the challenges that lay ahead, I can think of no other industry that I would prefer to be involved in. As has been the case in the past, we must continue to put our support and commitment behind the AHA (NSW) so we are seen as a united and cohesive industry that is a significant driver and contributor to the NSW economy.



The Brewhouse.



## BRUCE WOODS

### COUNTRY REPRESENTATIVE

2008 had more challenges that we have continued to work through daily. Led by our President Scott Leach and CEO Sally Fielke, the new generation in leadership has proved to be a professional team.

Issues with the introduction of the new *Liquor Act 2007* are consuming a lot of our time, as is the new structure and powers given to the Director of Compliance for the Office of Liquor, Gaming and Racing. We are hopeful that judicial fairness is applied equally to applicants, defendants and complainants and with evidence that stands scrutiny.

The Government's use of the Bureau of Crime Statistics Research compiled from police reports does not reflect a true indication of assaults, as very few proceeded to a successful prosecution and were reported as an 'incident'. The Linking project to which data is often used is a reflection of hotels and clubs only. It does not collect data on bottle shops or restaurants or other licensed premises. After a tour of Europe in October/November 2008, I found no evidence of large off-premise liquor barns or discounting and in fact, a small designated area in supermarkets provided the most common outlet for off-premise liquor sales. Sales were limited to immediate consumption, with the primary purpose of buying groceries.

As such, I believe a key focus for the Association is to call for a moratorium on the issue of any new liquor licenses, in particular large liquor barns whose sole purpose is to sell cheap discounted liquor in large volumes as an ancillary to groceries, until such time that the Government is able to establish that these premises do not contribute to the heavy consumption of liquor, pre fuelling and binge drinking that leads to more alcohol related domestic assaults than on premise.

Through attendance at Sub-Branch Meetings, local Liquor Accords and community events, we are able to maintain our presence and ensure hotels continue as a community destination of choice.

# reflections

**BEVAN DOUGLAS**

## COUNTRY REPRESENTATIVE

2008 saw the changing of the guard with the exciting new, young, enthusiastic and vibrant team of President, Scott Leach and CEO, Sally Fielke, along with a supportive Executive and staff.

As Chairman of the Constitution Sub-Committee I was involved in examining the Association's rules line-by-line, paragraph-by-paragraph and page-by-page.

2009 will see the first stage of the implementation of major rule changes with the introduction of communication with our members electronically and deleting controversial and conflicting rules for the election of Delegates and Executive.

Stage two will modernise the rules to include regulatory and definitive changes and remove duplicitous and archaic rules. I thank Phillip Ryan for his participation.

As an AHA-appointed member of the Hostplus Board, it is disappointing to see the decline in our members' superannuation benefits, due to the global financial crisis. However, Hostplus has performed well above the average returns posted by all superannuation funds nationally.

Hostplus has been acknowledged again by their peers by winning both the *Super Ratings* and *Money Magazine* prestigious Fund of the Year Awards from more than 450 superannuation funds for the third consecutive year.



# aha (nsw) accommodation division

## awards for excellence 2008 **winners**

### **Best Training 2008**

Winner: Four Seasons Sydney

### **Outstanding Community Service 2008**

Winner: Courtyard by Marriott Parramatta

### **Best Environment Initiative 2008**

Winner: Shangri-La Hotel Sydney

### **OH&S Hotel of the Year 2008**

Winner: Sheraton on the Park

### **Function Venue of the Year 2008**

Winner: Sheraton on the Park

### **Food & Beverage Employee of the Year**

Winner: Hermaine Perdedjian, Four Points by Sheraton, Darling Harbour

### **Public Relations, Sales & Marketing Employee of the Year 2008**

Winner: Laura Bogunia, Hilton Sydney

### **Human Resources Employee of the Year 2008**

Winner: Nicole Downs, Citigate Sebel Sydney

### **Front Office Employee of the Year 2008**

Winner: Timo Bures, The Observatory Hotel

### **Best Newcomer 2008**

Winner: Zoe Clout, Sydney Marriott Hotel

### **Employee Excellence in Service 2008**

Winner: John Phillip Hawes, Sydney Harbour Marriott Hotel

### **Chef of the Year 2008**

Winner: Sean Connelly, Star City Hotels and Apartments

### **Concierge of the Year 2008**

Winner: Peter Brown, Four Points by Sheraton, Darling Harbour

### **Housekeeper of the Year 2008**

Winner: Emil Beshay, The Observatory Hotel Regional

### **Restaurant of the Year 2008**

Winner: Darleys, Lillianfels Blue Mountains

### **Restaurant of the Year 2008**

Joint winners: Bilsons, Radisson Plaza Hotel & Suites and Astral, Star City Hotel and Apartments

### **Brasserie/Café of the Year 2008**

Joint winners: Botanica, Sheraton on the Park and Old City Bank, Carrington Hotel

### **Bar of the Year 2008**

Winner: Zeta Bar, Hilton Sydney

### **Health Club & Spa Facilities of the Year 2008**

Winner: Crowne Plaza Terrigal

### **Apartment Style Hotel of the Year 2008**

Winner: Quay Grand Suites Sydney

### **Regional Mid-Market Hotel of the Year 2008**

Winner: Loxley on Bellbird Hill

### **Mid-Market Hotel of the Year 2008**

Winner: Holiday Inn Sydney Airport

### **Regional Superior Property of the Year 2008**

Winner: The Carrington Hotel

### **Superior Hotel of the Year 2008**

Winner: Crowne Plaza Parramatta

### **Regional Deluxe Property of the Year 2008**

Joint winners: Crowne Plaza Hunter Valley and Lillianfels Blue Mountains

### **Deluxe Hotel of the Year 2008**

Winner: Sofitel Wentworth Sydney

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2008**

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**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
Revenue	4	8,398,033	7,983,692
Finance Costs	5	(47)	(2,751)
Depreciation		(221,664)	(174,893)
Administrative, Member and Other Expenses		(4,675,617)	(4,881,187)
Loss on sale of Fixed Assets		-	(4,879)
Employee Expenses	5	(2,574,945)	(1,961,101)
		<u>(7,472,273)</u>	<u>(7,024,811)</u>
<b>Profit before Income Tax</b>		925,760	958,881
Income Tax Expense	7	-	-
<b>Net Profit for Year</b>		<u>925,760</u>	<u>958,881</u>

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

BALANCE SHEET  
AS AT 31 DECEMBER 2008

	NOTE	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	4,919,594	3,711,225
Trade & Other Receivables	9	133,291	132,545
Other	10	342,505	689,881
<b>TOTAL CURRENT ASSETS</b>		<u>5,395,390</u>	<u>4,533,651</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	5,351,830	5,414,463
Investments	12	32	32
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,351,862</u>	<u>5,414,495</u>
<b>TOTAL ASSETS</b>		<u>10,747,252</u>	<u>9,948,146</u>
<b>CURRENT LIABILITES</b>			
Trade and Other Payables	13	1,954,927	2,073,710
Interest Bearing Loans and Borrowings	14	-	29,375
Provisions	15	293,318	245,023
<b>TOTAL CURRENT LIABILITES</b>		<u>2,248,245</u>	<u>2,348,108</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	50,751	77,542
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>50,751</u>	<u>77,542</u>
<b>TOTAL LIABILITIES</b>		<u>2,298,996</u>	<u>2,425,650</u>
<b>NET ASSETS</b>		<u>8,448,256</u>	<u>7,522,496</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	16	3,581,000	3,581,000
Retained Earnings	17	4,867,256	3,941,496
<b>TOTAL EQUITY</b>		<u>8,448,256</u>	<u>7,522,496</u>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
<b>Cash Flows From Operating Activities:</b>			
Receipts from Members and Third Parties		7,828,480	7,761,041
Payments to Suppliers and Employees		(6,839,081)	(6,526,851)
Interest Received		402,229	255,548
Interest Paid		(47)	(2,751)
Net Cash provided by Operating Activities	23	<u>1,391,581</u>	<u>1,486,987</u>
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(196,723)	(92,916)
Proceeds from Sale of Property, Plant and Equipment		42,886	36,261
Payment for Investment in Subsidiary Company		-	(1)
Net Cash (used in) Investing Activities		<u>(153,837)</u>	<u>(56,656)</u>
<b>Cash Flows from Financing Activities:</b>			
Lease Principal Repayments		(29,375)	(42,070)
Net Cash (used in) Financing Activities		<u>(29,375)</u>	<u>(42,070)</u>
Net Increase in Cash held		1,208,369	1,388,261
Cash and Cash Equivalents at beginning of Financial Year		<u>3,711,225</u>	<u>2,322,964</u>
<b>Cash and Cash Equivalents at end of Financial Year</b>	22	<u><u>4,919,594</u></u>	<u><u>3,711,225</u></u>

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008

	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
<b>At 1 January 2007</b>	2,982,614	1,893,813	4,876,427
Profit for the year	958,881	-	958,881
Increase in revaluation reserve	-	1,687,187	1,687,187
Share acquired in subsidiary company	1	-	1
<b>At 1 January 2008</b>	3,941,496	3,581,000	7,522,496
Profit for the year	925,760	-	925,760
<b>At 31 December 2008</b>	<u>4,867,256</u>	<u>3,581,000</u>	<u>8,448,256</u>

This Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**1 CORPORATE INFORMATION**

The financial report of Australian Hotels Association (NSW) (“Association”), its Controlled Entities and Australian Hotels Association, New South Wales Branch (“Branch”) for the year ended 31 December 2008 were authorised for issue in accordance with a Resolution of the Committee of Management on 4 March 2009.

The Association is incorporated in Australia.

The nature of the operations is that it is an association comprising members of the hotel industry and representing those members.

**2 STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. It has been prepared on the basis of historical costs and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period.

**(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard (“AIFRS”). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (“IFRS”).

**(c) New standards and interpretations not yet adopted**

The following standards, amended standards and interpretations have been identified as possibly impacting the Association in the period of initial application. They are available for early adoption at 31 December 2008 but have not been applied in preparation of the financial report:

- Revised AASB101 *Presentation of Financial Statements* requires an additional financial statement of comprehensive income and is applicable for the Association’s 31 December 2009 financial statements. The Association is determining the effect of the revised standard on disclosures.
- Revised AASB123 *Borrowing Costs* removes the option to expense borrowing costs on qualifying capital assets and requires capitalisation as part of the cost of the qualifying asset. The revised standard is applicable for the Association’s 31 December 2009 financial statements and will represent a change in accounting policy. The Association will apply the standard to qualifying assets with associated borrowing costs on or after the effective date.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the New South Wales Hotels Association Inc, AHA Services Pty Limited, Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Hospitality Insurance Services Pty Limited, Hospitality Broadcasting Company Pty Limited and Australian Hotels Association (NSW) Holdings Pty Limited.

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Association's financial statements, investments in subsidiaries are carried at cost. Intra group balances are eliminated in preparing the consolidated financial statements.

**(e) Revenue Recognition**

Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period. Other subscription revenue, training revenue, rent received, commission, interest received and other sundry revenues are recognised on an accruals basis.

**(f) Comparative figures**

Comparative figures supplied reflect the accounting period for the twelve months ended 31 December 2007.

**(g) Special Note concerning Basis of Financial Statements**

- (i) The financial statements herein are a consolidation of the financial affairs of the following entities:
- a) Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW) (hereafter referred to as "the State Organisation");
  - b) Australian Hotels Association, New South Wales Branch (hereafter referred to as "the Federal Branch") being a branch of the Australian Hotels Association, an organisation of employers registered under the Workplace Relations Act 1996 (Cth) (hereafter referred to as "the Federal AHA"); and
  - c) certain entities associated with and controlled by the State Organisation, as referred to in paragraph (d) above.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(g) Special Note concerning Basis of Financial Statements (cont.)**

- (ii) The financial statements of the above mentioned entities are prepared in order to ensure that members of both the State Organisation and the Federal Branch are provided with a complete picture of the financial affairs of both bodies and their related entities for the reporting period.
- (iii) Notwithstanding the foregoing the following matters are of relevance in connection with these financial statements:
  - a) By reason of complementary provisions in the Rules of the Federal Branch and the Rules of the State Organisation, all membership fees collected in the State of New South Wales are the property of the State Organisation;
  - b) The Federal AHA has an entitlement to capitation fees in respect of membership fees so collected, and such capitation fees are the property of the Federal AHA through the Federal Branch; and
  - c) All other assets (including real property) and liabilities, including those held by the controlled entities referred to in paragraph (d) hereof, are assets and liabilities of the State Organisation.

**(h) Notice pursuant to Section 272 of Schedule 1 of the Workplace Relations Act 1996 (Cth)**

Members of the Australian Hotels Association, New South Wales Branch are asked to note the following provisions of Section 272 of the above Act:

- (i) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
- (iii) A reporting unit must comply with an application made under subsection (1).

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

---

2 STATEMENT OF ACCOUNTING POLICIES (cont.)

(i) **Notice pursuant to Regulations under Section 282(3) of the Industrial Relations Act 1996 (NSW)**

- (i) 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; and
- (ii) 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.

(j) **Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less that are readily convertible to known cash amounts subject to insignificant risk of changes in value.

(k) **Trade and Other Receivables**

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

(l) **Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- Held-to-maturity investments - at amortised cost less impairment losses.
- Available-for sale financial assets – at fair value and changes other than impairment losses and foreign exchange gains and losses are recognised in a separate component of equity.
- Financial assets at fair value through the profit or loss – such assets are designated if held for trading. They are measured at fair value through the profit or loss and any changes are also recognised in the profit or loss.
- Other – at amortised cost using the effective interest method, less any impairment losses.



**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(l) Financial instruments (cont.)**

*Derivative financial instruments*

No derivative financial instruments are used by the Association to hedge its interest rate exposures.

**(m) Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that the asset may be impaired. A financial asset is considered impaired if the evidence indicates one or more events have had a negative effect on the estimated future cash inflows of that asset.

Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available for sale financial asset is calculated by reference to its fair value.

Impairment losses are recognised in the income statement.

**(n) Impairment of non-financial assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

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2 STATEMENT OF ACCOUNTING POLICIES (cont.)

(o) **Property, plant and equipment**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment in value.

Depreciation is calculated on a combination of straight-line and diminishing value basis over the estimated useful life of the asset as follows:

Strata Titled Units – 40 years straight line  
Plant and equipment – over 5 to 15 years straight line  
Motor vehicles – 4 to 5 years diminishing value

*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.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

*Revaluations*

Following initial recognition at cost, strata units are carried at a revalued amount which is the fair value at the date of the revaluation plus additions made subsequent to revaluation, at cost less any subsequent accumulated depreciation on strata units and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to equity.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

---

2 STATEMENT OF ACCOUNTING POLICIES (cont.)

(p) **Trade and Other Payables**

Trade and other payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

(q) **Employee Benefits**

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the Association has a present obligation to pay resulting from employees' services provided up to reporting date.

- Wages, salaries and annual leave – Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability. The long service liability expected to be settled within 12 months of year-end is included as a current liability in the balance sheet. The long service leave not expected to be settled within 12 months of year end is included as a non current liability in the balance sheet.
- Superannuation – Superannuation contributions by the Association on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

(r) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the Association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(s) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 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 cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**3 FINANCIAL RISK MANAGEMENT**

**Overview**

The Association has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. The Committee of Management is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Association's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Association.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3 FINANCIAL RISK MANAGEMENT (cont.)**

**Credit Risk**

Credit risk is the risk of financial loss to the Association if a member, customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's sundry receivables.

*Trade and Other Receivables*

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Association's member base, including the default risk of the industry in which members operate, has less of an influence on credit risk.

There is an allowance for impairment on the trade and other receivable balances, assessed as any balance due over 90 days.

*Investments*

The Association limits its exposure to credit risk by placing investments in liquid securities and only with banks. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

**Liquidity Risk**

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Typically, the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association enters into and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Committee of Management.

**Interest Rate Risk**

The Association has limited its exposure to changes in interest rates on borrowings.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>4 REVENUE</b>		
Member Subscriptions	4,107,245	4,298,499
Interest	402,229	255,548
Insurance Commission	89,790	107,399
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
Income from Membership Activities	<u>2,114,330</u>	<u>2,488,913</u>
<b>Total Revenue</b>	<u>8,398,033</u>	<u>7,983,692</u>
<b>5 REVENUES AND EXPENSES</b>		
<b>Finance Income / (Costs)</b>		
Finance Charges under Finance Lease and Hire Purchase	(47)	(2,751)
Bank Interest Receivable	<u>402,229</u>	<u>255,548</u>
<b>Net Finance Income</b>	<u>402,182</u>	<u>252,797</u>
<b>Employee Benefits</b>		
Annual Leave Accrued	-	(8,410)
Fringe Benefits Tax	26,784	24,521
Long Service Leave Provided	27,183	26,221
Payroll Tax	109,303	85,529
Salary and Wages	2,224,829	1,691,145
Superannuation	<u>186,846</u>	<u>142,095</u>
	<u>2,574,945</u>	<u>1,961,101</u>
<b>6 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements	24,000	23,430
Audit of Grant Moneys	400	-
Audit of Related Entities	-	1,650
Other Services	<u>31,182</u>	<u>31,085</u>
	<u>55,582</u>	<u>56,165</u>
<b>7 INCOME TAX</b>		

No provision has been made for income tax on the results of the Association and the Branch as they are exempted from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>8 CASH AND CASH EQUIVALENTS - CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>
<b>9 TRADE AND OTHER RECEIVABLES - CURRENT</b>		
Trade Debtors	218,796	215,873
Less: Allowance for Doubtful Debts	85,505	83,328
	<u>133,291</u>	<u>132,545</u>
Other Debtors	-	150,000
Less: Allowance for Impairment	-	(150,000)
	<u>-</u>	<u>-</u>
	<u>133,291</u>	<u>132,545</u>
<b>10 OTHER CURRENT ASSETS</b>		
Investment in Legal Action	323,935	674,865
Prepayments	18,570	15,016
	<u>342,505</u>	<u>689,881</u>

The Investment in Legal Action represents the unamortised amount of the expenses incurred in the TVN/TAB matter. This amount is written off against the amounts received and due to be received and represented in Revenue at Note 4 & Income in Advance at Note 13.

**11 PROPERTY, PLANT & EQUIPMENT – NON CURRENT**

Strata Units – At Independent Valuation and Additions at Cost	5,250,000	5,250,000
Less: Provision for Depreciation	153,125	21,875
	<u>5,096,875</u>	<u>5,228,125</u>
Plant and Equipment – At Cost	1,033,322	1,025,659
Less: Provision for Depreciation	991,175	950,076
	<u>42,147</u>	<u>75,583</u>
Motor Vehicles – At Cost	265,920	191,060
Less: Provision for Depreciation	53,112	80,305
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant and Equipment	<u>5,351,830</u>	<u>5,414,463</u>

The basis of the valuation of Strata Units is fair market value based on existing use. The valuation dated 1 November 2007 was carried out by Peter A Brown, valuer number 6268.

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NOTES TO THE FINANCIAL STATEMENTS  
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	2008	2007
	\$	\$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT – NON CURRENT (cont.)</b>		
<b>Reconciliations</b>		
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:		
<u>Strata Units</u>		
Carrying amount at beginning of year	5,228,125	3,644,063
Revaluation Increment	-	1,687,187
Depreciation	<u>(131,250)</u>	<u>(103,125)</u>
	<u>5,096,875</u>	<u>5,228,125</u>
<u>Plant &amp; Equipment</u>		
Carrying amount at beginning of year	75,583	104,856
Additions	8,282	16,267
Depreciation	<u>(41,718)</u>	<u>(45,540)</u>
	<u>42,147</u>	<u>75,583</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	110,755	101,474
Additions	188,441	76,649
Disposals	(37,692)	(41,140)
Depreciation	<u>(48,696)</u>	<u>(26,228)</u>
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant & Equipment	<u>5,351,830</u>	<u>5,414,463</u>
<b>12 INVESTMENTS – NON CURRENT</b>		
Shares in Subsidiary Companies – At Cost	<u>32</u>	<u>32</u>
<b>13 TRADE AND OTHER PAYABLES - CURRENT</b>		
Trade Creditors and Accruals	531,015	265,283
Agency Withholdings	-	194,196
GST (Refundable) / Payable	(22,229)	6,728
Subscriptions in Advance	364,822	811,355
Income in Advance	<u>1,081,319</u>	<u>796,148</u>
	<u>1,954,927</u>	<u>2,073,710</u>



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>14 INTEREST BEARING LOANS AND BORROWINGS – CURRENT</b>		
Lease Liability	-	29,375
<b>15 PROVISIONS</b>		
Employee Entitlements – Current	293,318	245,023
Employee Entitlements – Non Current	50,751	77,542
	<u>344,069</u>	<u>322,565</u>
<b>16 ASSET REVALUATION RESERVE</b>		
Opening Balance	3,581,000	1,893,813
Increment on Revaluation of Strata Units	-	1,687,187
Closing Balance	<u>3,581,000</u>	<u>3,581,000</u>
<b>17 RETAINED EARNINGS</b>		
Balance at beginning of year	3,941,496	2,982,614
Profit for year	925,760	958,881
Shares in AHA (NSW) Holdings Pty Limited	-	1
Balance at end of year	<u>4,867,256</u>	<u>3,941,496</u>

**18 RELATED PARTY TRANSACTIONS**

**Other Related Parties**

The Association collects commission income on behalf of Australian Hospitality Insurance Services Pty Limited and maintains this in a bank account held in the name of the Association. The balance collected less any direct costs to 31 December 2008 was \$226,686 (2007: \$138,680).

The Association paid a member of the Executive Committee (Paul Dirou) \$34,120 for gaming consultancy services. This service was provided under normal commercial terms.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$

**19 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer, Ms. Sally Fielke. Mr. Brian Ross resigned as Chief Executive Officer in March 2008.

The names of members of the Executive Committee who have held office during the year are:

John Thorpe	Scott Leach	Bevan Douglas	Peter Harris
Nigel Corne	Bruce Woods	Lynette Humphreys	Kim Maloney
Colin Waller	Philip Webster	Colin Parras	Paul Dirou
Charles Fenton	Patrick Gurr	Richard Munro	

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

	2008	2007
	\$	\$
Short-term employee benefits	319,616	328,825

The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2(d); Scott Leach, Lynette Humphreys, Colin Waller and Patrick Gurr.

Colin Waller and Bevan Douglas are officeholders of companies associated with or related to the Association and receive directors' fees paid directly to them from those companies.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**2008**                      **2007**  
\$                                      \$

**20 FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:

<i>Fixed rate instruments</i>		
Financial assets	4,758,100	3,579,656
Financial liabilities	-	-
	<u>4,758,100</u>	<u>3,579,656</u>
 <i>Variable rate instruments</i>		
Financial assets	158,495	128,570
Financial liabilities	-	(29,375)
	<u>158,495</u>	<u>99,195</u>

**Fair value sensitivity analysis for fixed rate instruments**

An increase of 100 basis points in interest rates at reporting date would have increased the consolidated entity's equity and profit by \$47,581.

**Fair value sensitivity analysis for variable rate instruments**

An increase of 100 basis points in interest rates would have increased the consolidated entity's equity and profit by \$1,585.

**(b) Credit Risk**

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at reporting date was:

Cash and Cash Equivalents	4,919,594	3,711,225
Trade and Other Receivables	133,291	132,545
	<u>5,052,885</u>	<u>3,843,770</u>

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

**Impairment losses**

There were no impairment losses recognised during the year.

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

20 FINANCIAL INSTRUMENTS (cont.)

(c) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2008

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	(508,786)	(508,786)	(508,786)	-	-	-	-
Subscriptions and income in advance	(1,446,141)	(1,446,141)	(1,446,141)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(1,954,927)	(1,954,927)	(1,954,927)	-	-	-	-

31 December 2007

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	(29,375)	(33,083)	(16,541)	(16,542)	-	-	-
Trade and other payables	(466,207)	(466,207)	(466,207)	-	-	-	-
Subscriptions and income in advance	(1,607,503)	(1,607,503)	(1,607,503)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(2,103,085)	(2,106,793)	(2,090,251)	(16,542)	-	-	-

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>21 LEASE COMMITMENTS</b>		
Finance Lease		
Not later than one year	-	33,083
Later than one year but less than 2 years	-	-
Later than 2 years but less than 5 years	-	-
	-	33,083
Less Future Finance Charges	-	3,708
	-	<u>29,375</u>
Operating Lease		
Not later than one year	-	62,461
Later than one year but less than 2 years	-	-
	-	62,461
Less Future Finance Charges	-	6,508
	-	<u>55,953</u>

**22 RECONCILIATION OF CASH**

For the purposes of the cash flow statement, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>

AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 \$	2007 \$
<b>23 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET OPERATING REVENUE</b>		
Profit from Ordinary Activities Attributable to Members	925,760	958,881
Non-Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	221,664	174,893
(Profit) / Loss on Sale of Fixed Assets	(5,194)	4,879
Change Assets and Liabilities:		
(Increase) / Decrease in Current Receivables	(746)	213,040
Decrease / (Increase) in Other Current Assets	347,376	211,957
(Decrease) / Increase in Trade and Other Payables	(118,783)	(94,475)
Increase / (Decrease) in Employee Provisions	21,504	17,812
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,391,581</u>	<u>1,486,987</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**24 ASSOCIATION DETAILS**

The registered office of the Association is:

Level 5, 8 Quay Street  
Sydney NSW 2000

The principal place of business is:

Level 5, 8 Quay Street  
Sydney NSW 2000

**25 SEGMENT REPORTING**

The Association and its controlled entities operate as an employer association providing a range of services to members in the hospitality industry in the state of New South Wales.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) and its controlled entities hereby certify that the number of members of the Association at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Association, and all moneys so paid, or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Association;
- (c) Before any expenditure was incurred by the Association approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- (d) With regard to funds of the Association 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;
- (e) All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association; and
- (f) The register of members of the Association was maintained in accordance with the Regulations under the Industrial Relations Act 1996 (NSW).

  
Accounting Officer

Dated:





**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association, New South Wales Branch hereby certify that the number of members of the Branch at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Branch at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Branch, and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Branch;
- (c) Before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Branch;
- (d) With regard to funds of the Branch 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;
- (e) All loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the Rules of the Branch; and
- (f) The register of members of the Branch was maintained in accordance with Section 230 of Schedule 1 of the Workplace Relations Act 1996 (Cth).



**Accounting Officer**

**Dated:**

*4<sup>th</sup> March 2009*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

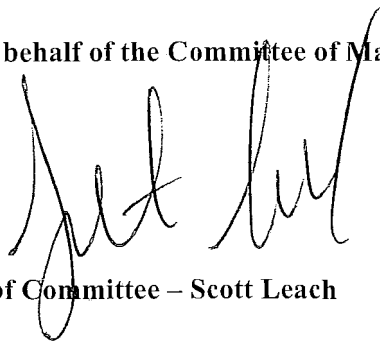
**STATEMENT OF COMMITTEE OF MANAGEMENT**

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In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) and its controlled entities, we state that in the opinion of the Committee:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- (c) During the financial year to which the financial statements relate, there has not been, to the knowledge of any member of the Committee of Management, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under the Regulations of the Industrial Relations Act 1996 (NSW)), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished or made available to members of the Association in accordance with the Industrial Relations Act 1996 (NSW), this regulation or the Rules of the Association, as the case may be;
- (d) In relation to the report prepared in accordance with the regulations under the Industrial Relations Act 1996 (NSW) by the Auditor of the Association in respect of the financial year immediately proceeding the financial year to which these financial statements relate and in relation to any financial report prepared in accordance with the Regulations under the Industrial Relations Act 1996 (NSW) to which that report relates, the Association has distributed the relevant financial report in accordance with the Regulations under the Industrial Relations Act 1996 (NSW); and
- (e) There are reasonable grounds to believe that the Association and its controlled entities will be able to pay their debts as and when they fall due.

**Signed on behalf of the Committee of Management**



**Member of Committee – Scott Leach**



**Member of Committee – Colin Waller**

**Dated:**

*4<sup>th</sup> March 2009*

**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

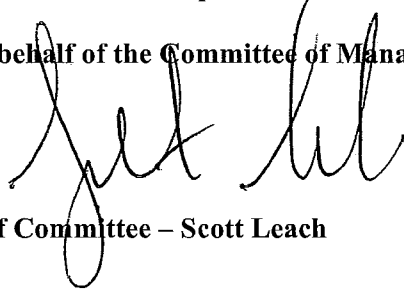
**STATEMENT OF COMMITTEE OF MANAGEMENT**

On 4 March 2009 the Committee of Management of the Australian Hotels Association, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2008.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 31 December 2008;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2008 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the reporting unit;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation and the rules of the reporting unit;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1 of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation;
  - (v) no information has been sought in any request by a member of the reporting unit or a Registrar under Section 272 of Schedule 1 of the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Industrial Registrar under Section 273 of Schedule 1 of the Workplace Relations Act 1996.

Signed on behalf of the Committee of Management

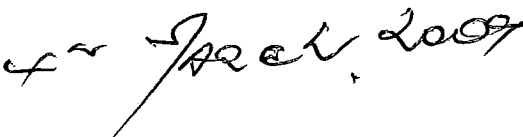


Member of Committee – Scott Leach



Member of Committee – Colin Waller

Dated:



## AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

### OPERATING REPORT

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This operating report covers the results of those activities that were provided for the financial year ended 31 December 2008.

#### 1. Principal Activities of the Branch

The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Association during the past year fell into the following categories:

- Provision of Industrial support to members including advice on legal and legislative matters, contractual obligations and representation of individual members. Administration of Federal and State awards and the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines.
- Facilitating training courses such as Responsible Service of Alcohol and Responsible Conduct of Gaming to hoteliers and their staff in order for them to comply with the requirement for the operation of their liquor licence.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, Business Exchange, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community.
- Provision of Counselling Service to problem gamblers to minimise harm.

#### 2. Financial Activities of the Branch

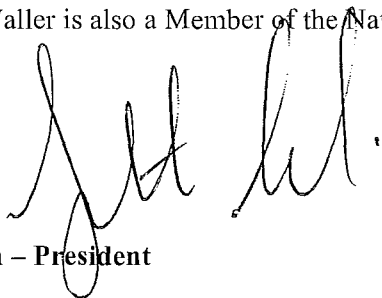
- There were no financial activities of the Branch.
- The amounts received from the Association were higher than the previous year and the total amount received was paid to the National Organisation as capitation fees.

#### 3. Committee of Management Members

The following persons were Delegates of the Branch to the National Board during the year ended 31 December 2008:

Colin Waller, Bruce Woods, Phillip Webster, Lynette Humphreys, Scott Leach and Patrick Gurr.

Colin Waller is also a Member of the National Executive.



**Scott Leach – President**

**Dated:**

*4<sup>th</sup> March, 2009*

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

---

**Report on the Financial Report**

We have audited the financial report of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) for the financial year ended 31 December 2008, consisting of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity, Notes to the Financial Statements, Certificates of the Accounting Officer, Statements of the Committee of Management and Operating Report set out on pages 1 to 28.

**The Financial Report and Committee of Management Responsibility**

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth). This includes responsibility for the maintenance of 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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of 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.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements, the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth).

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH (cont.)**

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**Audit Opinion**

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Association, its controlled entities and the Branch during the financial year including records of the sources and nature of income (including income from members) and of the nature and purpose of expenditure of the Association, its controlled entities and the Branch; and
- (ii) the accompanying financial report (including the Statements of the Committee of Management and the Operating Report) set out on pages 1 to 28 which have been prepared under the historical cost convention as stated in Note 2, are properly drawn up in accordance with the provisions of the Regulations under the Industrial Relations Act 1996 (NSW) and Sections 252-254 of Schedule 1 of the Workplace Relations Act 1996 (Cth) and applicable Australian accounting standards, professional reporting requirements and Urgent Issues Group Consensus Views, so as to give a true and fair view of:-
- a) the state of affairs of the Association, its controlled entities and the Branch as at 31 December 2008; and
- b) the performance of the Association, its controlled entities and the Branch for the year ended on that date; and
- (iii) all of the information and explanations that officers or employees of the Association were required to provide pursuant to the Regulations under the Industrial Relations Act 1996 (NSW) were provided; and
- (iv) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996 (Cth); and
- (b) other mandatory professional reporting requirements in Australia.



**V J RYAN & CO**  
Chartered Accountants

Level 5  
255 George Street  
SYDNEY NSW 2000



**Partner: Peter Gerard Crawford**

Dated: 4 March 2009

**COMPILATION REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

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The additional financial data presented on pages 32-34 is in accordance with the books and records of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2008. It should be appreciated that our audit did not cover all details of the attached financial data.

Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. Neither the firm nor any member of the firm undertakes responsibility in any way whatsoever to any person (other than the Association, its controlled entities and the Branch) in respect of such data, including any errors or omissions however caused.



**V J RYAN & CO**  
Chartered Accountants

**Level 5**  
**255 George Street**  
**SYDNEY NSW 2000**



**Partner: Peter Gerard Crawford**

**Dated:** *4 March 2009*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>INCOME</b>		
Member Subscriptions	4,107,245	4,298,499
Interest Received	402,229	255,548
Insurance Commissions	89,790	107,399
Income from Membership Activities	2,114,330	2,488,913
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
	8,398,033	7,983,692
<b>EXPENDITURE</b>		
Accounting and Consulting Fees	33,647	19,530
Accommodation Division	178,219	223,668
Advertising and Staff Hire	11,207	37,846
Administration	4,796	18,495
Annual Report	11,907	12,904
Annual Leave Accrued	-	(8,410)
Auditor's Remuneration	24,400	23,430
Bank Charges	29,547	36,449
Capitation Fees	249,386	249,386
Cleaning and Laundry	29,675	29,182
Computer and Development Costs	196,787	124,419
Consultancy	185,554	100,854
Delegates	84,485	67,593
Depreciation	221,664	174,893
Donations	194,808	638,086
Doubtful Debts Allowance	2,176	41,025
Electricity	14,936	8,766
Executive Administration	377,623	312,843
Executive and Committee of Management	198,372	126,110
Flowers and Plant Hire	8,733	10,591
Fringe Benefits Tax	26,784	24,521
Gaming Department and Research	309,519	210,970
Hotel News	182,455	158,040
Insurance	60,573	55,234
Industrial and Membership	35,145	96,279
Leasing Interest	47	2,751
Legal Fees	612,159	587,352
Long Service Leave Provided	27,183	26,221
Loss on Disposal of Assets	-	4,879
Marketing	402,923	451,516

This Statement has not been audited.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT (cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>EXPENDITURE (cont.)</b>		
Membership	161,822	167,004
National Executive and Board Meetings	23,733	23,737
National Office Costs	69,444	24,000
Parking Levy	9,500	9,150
Payroll Preparation	2,644	2,260
Payroll Tax	109,303	85,529
President's Allowance	60,000	60,000
Printing and Stationery	6,995	584
Public Relations	120,781	35,293
TVN/TAB Expense Allocation	323,935	323,935
Pubstay	20,789	21,920
Rates, Taxes and Strata Levies	99,592	89,189
Regional Meetings	42,529	26,534
Repairs and Maintenance	12,381	23,503
Salaries and Wages	2,224,829	1,691,145
Security	274	1,865
Sponsorship	36,280	127,891
Staff Amenities	24,036	9,691
Staff Training and Recruitment	6,861	14,166
Sub Branch Subsidies	5,000	-
Superannuation	186,846	142,095
Telephone	85,607	52,492
Training Department	115,528	220,002
Travel	8,854	7,403
	<u>7,472,273</u>	<u>7,024,811</u>
<b>Profit for the year</b>	<u>925,760</u>	<u>958,881</u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH****INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>INCOME</b>		
Amount Received from Australian Hotels Association (NSW)	249,386	249,386
<b>EXPENDITURE</b>		
Capitation Fees paid to National AHA	249,386	249,386
	<u>-</u>	<u>-</u>

This Statement has not been audited.

**DONNELLAN, Kevin**

---

**From:** Peter Punch [Peter\_Punch@codea.com.au]  
**Sent:** Thursday, 24 September 2009 11:43 AM  
**To:** DONNELLAN, Kevin  
**Subject:** RE: FR2008/617 - Financial year ended 31 December 2008 - Australian Hotels Association, New South Wales Branch

Hi Kevin, I believe that the client is sending the material direct to you and it has been dispatched already.

Regards

Peter Punch  
 Partner

Tel.: (02) 9291 7177  
 Email: [ppunch@codea.com.au](mailto:ppunch@codea.com.au)



GP O Box 7105 Sydney 2001	Tel (02) 9291 7100
Level 18, St James Centre	Fax (02) 9221 1117
111 Elizabeth Street	DX 183 Sydney
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Sydney	Newcastle Parramatta Wollongong Canberra



Please consider the environment before printing this e-mail.

-----Original Message-----

**From:** DONNELLAN, Kevin [mailto:Kevin.Donnellan@fwa.gov.au]  
**Sent:** Thursday, 24 September 2009 11:04 AM  
**To:** Peter Punch  
**Subject:** FR2008/617 - Financial year ended 31 December 2008 - Australian Hotels Association, New South Wales Branch

Hello, Peter, could you provide an update on the current status of this matter. Kevin

---

**From:** Peter Punch [mailto:Peter\_Punch@codea.com.au]  
**Sent:** Wednesday, 2 September 2009 1:58 PM  
**To:** DONNELLAN, Kevin  
**Subject:** AUSTRALIAN HOTELS ASSOCIATION NSW BRANCH

Hi Kevin

I understand an application for exemption will be filed by the Branch very soon. I have followed up with them about that.

Regards

Peter Punch  
 Partner

Tel.: (02) 9291 7177  
 Email: [ppunch@codea.com.au](mailto:ppunch@codea.com.au)

YOUR REF:

OUR REF: PJP:90061

CONTACT:

PARTNER: Peter Punch

Direct Line: 9291 7177  
Email: ppunch@codea.com.au

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L. JULIAN BEAL, LLB.(Hons), LL.M.  
ROBERT ALGIE, BAppSc., LLB.  
PATRICIA MONEMVASITIS, B.COMM., LLB.

## Special Counsel

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ANTHONY POWTER, B.COMM., DIP LAW



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PJP/LH/2733856

3 August 2009

Mr Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Australian Industrial Relations Commission  
G P O Box 1994  
MELBOURNE VIC 3001

By Email & Post: [Kevin.donnellan@air.gov.au](mailto:Kevin.donnellan@air.gov.au)

Dear Kevin

### FINANCIAL REPORT OF AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH FOR YEAR ENDED 31 DECEMBER 2008 - FR2008/617

We refer to our letter to you dated 23 June 2009 and advise that the Branch is currently giving consideration to the question of making an Application for an Exemption from filing its accounts pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* (Cth).

We expect to be able to advise you of the Branch's position in the very near future.

Yours faithfully  
Carroll & O'Dea  
Per:



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PJP:90061

Peter Punch

Direct Line: 9291 7177  
Email: ppunch@codea.com.au

23 June 2009

Mr Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Australian Industrial Relations Commission  
G P O Box 1994  
MELBOURNE VIC 3001

**By email: Kevin.DONNELLAN@air.gov.au**

Dear Kevin

**FINANCIAL REPORT OF AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH FOR YEAR ENDED 31 DECEMBER 2008 - FR2008/617**

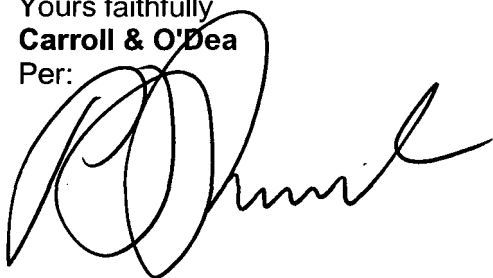
We refer to your letter to the Secretary/Treasurer of the above Branch, Mr Colin Waller of 11 June 2009.

The correspondence has been referred to us for advice by the Branch's auditors.

We note that the letter from the Registry dated 25 September 2008 to which you refer was a letter to this firm in response to our letter to you of 1 September 2008.

We are currently seeking instructions from the Branch officers and will correspond further with you in the near future.

Yours faithfully  
**Carroll & O'Dea**  
Per:



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**Australian Government**  
**Australian Industrial Registry**

18 June 2009

Mr Colin Waller  
Secretary  
Australian Hotels Association, New South Wales Branch  
email: [enquiries@ahansw.com.au](mailto:enquiries@ahansw.com.au)

Dear Mr Waller

**Re: Financial Report for the Australian Hotels Association, New South Wales Branch for year ended 31 December 2008 – FR2008/617**

Having recently reviewed my letter of 11 June 2009 the reference to the Queensland Branch should have read "the Australian Hotels Association South Australian Branch". I have included a link to assist you to the 2007 Report of the Branch - <http://www.e-airc.gov.au/files/024nsa/FR2007597.pdf>.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Email: [kevin.donnellan@airc.gov.au](mailto:kevin.donnellan@airc.gov.au)



**Australian Government**  
**Australian Industrial Registry**

11 June 2009

Mr Colin Waller  
Secretary  
Australian Hotels Association, New South Wales Branch  
email: [enquiries@ahansw.com.au](mailto:enquiries@ahansw.com.au)

Dear Mr Waller

**Re: Financial Report for the Australian Hotels Association, New South Wales Branch for year ended 31 December 2008 – FR2008/617**

I acknowledge receipt of the financial report for the Australian Hotels Association, New South Wales Branch for the year ended 31 December 2008. The report was lodged with the Registry on 28 April 2009.

The financial report that has been sent in for lodgment for the year ended 31<sup>st</sup> December 2008 is the financial report of the Australian Hotels Association (NSW). The notes to the financial statements indicate that the financial report is of Australian Hotels Association (NSW) and its controlled entities and the Australian Hotels Association, New South Wales Branch.

As set out in our letter to you dated 25<sup>th</sup> September 2008, it is our view that the Australian Hotels Association, New South Wales Branch is a reporting unit as defined in the Workplace Relations Act 1996. As a reporting unit it is the expectation that it will keep proper financial records and after the end of each financial year prepare a general purpose financial report of the reporting unit. The report that has been sent for lodgment is not for the reporting unit.

Other branches of the Australian Hotels Association lodge a general purpose financial report as a separate reporting unit. We refer you to the Queensland branch by way of example. Their financial report as a filed document of a reporting unit can be accessed via our website.

We will not file the financial report that has been sent and request that a report for the reporting unit is prepared and lodged.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan  
Statutory Services Branch  
Principal Registry  
Email: [kevin.donnellan@airc.gov.au](mailto:kevin.donnellan@airc.gov.au)

**NSW**  
**BRANCH**

OF THE  
AUSTRALIAN  
HOTELS  
ASSOCIATION



Attention: Larry Powell  
Statutory Services Branch  
Australian Industrial Registry  
G P O Box 1994  
Melbourne  
VIC 3001

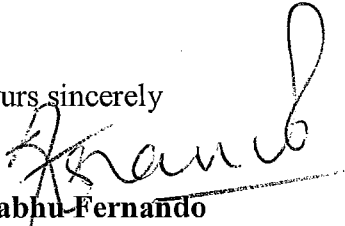
21 April 2009

Dear Larry

**RE: Annual Return for Year 2008 – NSW Branch**

Please find attached documents relating to the above for lodgement.

Yours sincerely

  
**Prabhu Fernando**  
Financial Controller



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2008**

---

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**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
Revenue	4	8,398,033	7,983,692
Finance Costs	5	(47)	(2,751)
Depreciation		(221,664)	(174,893)
Administrative, Member and Other Expenses		(4,675,617)	(4,881,187)
Loss on sale of Fixed Assets		-	(4,879)
Employee Expenses	5	(2,574,945)	(1,961,101)
		<u>(7,472,273)</u>	<u>(7,024,811)</u>
<b>Profit before Income Tax</b>		925,760	958,881
Income Tax Expense	7	-	-
<b>Net Profit for Year</b>		<u>925,760</u>	<u>958,881</u>

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	4,919,594	3,711,225
Trade & Other Receivables	9	133,291	132,545
Other	10	<u>342,505</u>	<u>689,881</u>
<b>TOTAL CURRENT ASSETS</b>		<u>5,395,390</u>	<u>4,533,651</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	5,351,830	5,414,463
Investments	12	<u>32</u>	<u>32</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,351,862</u>	<u>5,414,495</u>
<b>TOTAL ASSETS</b>		<u>10,747,252</u>	<u>9,948,146</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	1,954,927	2,073,710
Interest Bearing Loans and Borrowings	14	-	29,375
Provisions	15	<u>293,318</u>	<u>245,023</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,248,245</u>	<u>2,348,108</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	<u>50,751</u>	<u>77,542</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>50,751</u>	<u>77,542</u>
<b>TOTAL LIABILITIES</b>		<u>2,298,996</u>	<u>2,425,650</u>
<b>NET ASSETS</b>		<u>8,448,256</u>	<u>7,522,496</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	16	3,581,000	3,581,000
Retained Earnings	17	<u>4,867,256</u>	<u>3,941,496</u>
<b>TOTAL EQUITY</b>		<u>8,448,256</u>	<u>7,522,496</u>

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTE	2008 \$	2007 \$
<b>Cash Flows From Operating Activities:</b>			
Receipts from Members and Third Parties		7,828,480	7,761,041
Payments to Suppliers and Employees		(6,839,081)	(6,526,851)
Interest Received		402,229	255,548
Interest Paid		(47)	(2,751)
Net Cash provided by Operating Activities	<b>23</b>	<u>1,391,581</u>	<u>1,486,987</u>
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(196,723)	(92,916)
Proceeds from Sale of Property, Plant and Equipment		42,886	36,261
Payment for Investment in Subsidiary Company		-	(1)
Net Cash (used in) Investing Activities		<u>(153,837)</u>	<u>(56,656)</u>
<b>Cash Flows from Financing Activities:</b>			
Lease Principal Repayments		(29,375)	(42,070)
Net Cash (used in) Financing Activities		<u>(29,375)</u>	<u>(42,070)</u>
Net Increase in Cash held		1,208,369	1,388,261
Cash and Cash Equivalents at beginning of Financial Year		<u>3,711,225</u>	<u>2,322,964</u>
<b>Cash and Cash Equivalents at end of Financial Year</b>	<b>22</b>	<u><u>4,919,594</u></u>	<u><u>3,711,225</u></u>

The Cash Flow Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total Equity</b>
	\$	\$	\$
<b>At 1 January 2007</b>	2,982,614	1,893,813	4,876,427
Profit for the year	958,881	-	958,881
Increase in revaluation reserve	-	1,687,187	1,687,187
Share acquired in subsidiary company	1	-	1
<b>At 1 January 2008</b>	3,941,496	3,581,000	7,522,496
Profit for the year	925,760	-	925,760
<b>At 31 December 2008</b>	<u>4,867,256</u>	<u>3,581,000</u>	<u>8,448,256</u>

This Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 5 to 23.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**1 CORPORATE INFORMATION**

The financial report of Australian Hotels Association (NSW) ("Association"), its Controlled Entities and Australian Hotels Association, New South Wales Branch ("Branch") for the year ended 31 December 2008 were authorised for issue in accordance with a Resolution of the Committee of Management on 4 March 2009.

The Association is incorporated in Australia.

The nature of the operations is that it is an association comprising members of the hotel industry and representing those members.

**2 STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. It has been prepared on the basis of historical costs and, except for certain assets which are at valuation, does not take into account changing money values or current valuation of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous period.

**(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

**(c) New standards and interpretations not yet adopted**

The following standards, amended standards and interpretations have been identified as possibly impacting the Association in the period of initial application. They are available for early adoption at 31 December 2008 but have not been applied in preparation of the financial report:

- Revised AASB101 *Presentation of Financial Statements* requires an additional financial statement of comprehensive income and is applicable for the Association's 31 December 2009 financial statements. The Association is determining the effect of the revised standard on disclosures.
- Revised AASB123 *Borrowing Costs* removes the option to expense borrowing costs on qualifying capital assets and requires capitalisation as part of the cost of the qualifying asset. The revised standard is applicable for the Association's 31 December 2009 financial statements and will represent a change in accounting policy. The Association will apply the standard to qualifying assets with associated borrowing costs on or after the effective date.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the New South Wales Hotels Association Inc, AHA Services Pty Limited, Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Hospitality Insurance Services Pty Limited, Hospitality Broadcasting Company Pty Limited and Australian Hotels Association (NSW) Holdings Pty Limited.

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Association's financial statements, investments in subsidiaries are carried at cost. Intra group balances are eliminated in preparing the consolidated financial statements.

**(e) Revenue Recognition**

Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period. Other subscription revenue, training revenue, rent received, commission, interest received and other sundry revenues are recognised on an accruals basis.

**(f) Comparative figures**

Comparative figures supplied reflect the accounting period for the twelve months ended 31 December 2007.

**(g) Special Note concerning Basis of Financial Statements**

- (i) The financial statements herein are a consolidation of the financial affairs of the following entities:
- a) Australian Hotels Association (NSW), an organisation of employers registered under the Industrial Relations Act 1996 (NSW) (hereafter referred to as "the State Organisation");
  - b) Australian Hotels Association, New South Wales Branch (hereafter referred to as "the Federal Branch") being a branch of the Australian Hotels Association, an organisation of employers registered under the Workplace Relations Act 1996 (Cth) (hereafter referred to as "the Federal AHA"); and
  - c) certain entities associated with and controlled by the State Organisation, as referred to in paragraph (d) above.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(g) Special Note concerning Basis of Financial Statements (cont.)**

- (ii) The financial statements of the above mentioned entities are prepared in order to ensure that members of both the State Organisation and the Federal Branch are provided with a complete picture of the financial affairs of both bodies and their related entities for the reporting period.
- (iii) Notwithstanding the foregoing the following matters are of relevance in connection with these financial statements:
  - a) By reason of complementary provisions in the Rules of the Federal Branch and the Rules of the State Organisation, all membership fees collected in the State of New South Wales are the property of the State Organisation;
  - b) The Federal AHA has an entitlement to capitation fees in respect of membership fees so collected, and such capitation fees are the property of the Federal AHA through the Federal Branch; and
  - c) All other assets (including real property) and liabilities, including those held by the controlled entities referred to in paragraph (d) hereof, are assets and liabilities of the State Organisation.

**(h) Notice pursuant to Section 272 of Schedule 1 of the Workplace Relations Act 1996 (Cth)**

Members of the Australian Hotels Association, New South Wales Branch are asked to note the following provisions of Section 272 of the above Act:

- (i) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (ii) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
- (iii) A reporting unit must comply with an application made under subsection (1).



**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

---

**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(i) Notice pursuant to Regulations under Section 282(3) of the Industrial Relations Act 1996 (NSW)**

- (i) 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; and
- (ii) 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.

**(j) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less that are readily convertible to known cash amounts subject to insignificant risk of changes in value.

**(k) Trade and Other Receivables**

The collectability of debts is assessed at the reporting date and specific provision is made for any doubtful debts.

**(l) Financial instruments**

*Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through the profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as follows:

- Held-to-maturity investments - at amortised cost less impairment losses.
- Available-for sale financial assets – at fair value and changes other than impairment losses and foreign exchange gains and losses are recognised in a separate component of equity.
- Financial assets at fair value through the profit or loss – such assets are designated if held for trading. They are measured at fair value through the profit or loss and any changes are also recognised in the profit or loss.
- Other – at amortised cost using the effective interest method, less any impairment losses.

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(l) Financial instruments (cont.)**

*Derivative financial instruments*

No derivative financial instruments are used by the Association to hedge its interest rate exposures.

**(m) Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that the asset may be impaired. A financial asset is considered impaired if the evidence indicates one or more events have had a negative effect on the estimated future cash inflows of that asset.

Individually significant financial assets are tested for impairment separately. The remaining financial assets are assessed on a group basis based on credit risk.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss on an available for sale financial asset is calculated by reference to its fair value.

Impairment losses are recognised in the income statement.

**(n) Impairment of non-financial assets**

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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2 STATEMENT OF ACCOUNTING POLICIES (cont.)

(o) **Property, plant and equipment**

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment in value.

Depreciation is calculated on a combination of straight-line and diminishing value basis over the estimated useful life of the asset as follows:

Strata Titled Units – 40 years straight line

Plant and equipment – over 5 to 15 years straight line

Motor vehicles – 4 to 5 years diminishing value

*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.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the income statement.

*Revaluations*

Following initial recognition at cost, strata units are carried at a revalued amount which is the fair value at the date of the revaluation plus additions made subsequent to revaluation, at cost less any subsequent accumulated depreciation on strata units and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to equity.

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2 STATEMENT OF ACCOUNTING POLICIES (cont.)

(p) **Trade and Other Payables**

Trade and other payables are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

(q) **Employee Benefits**

Provision is made for entitlements accruing to employees in relation to wages, salaries, annual leave, long service leave and other benefits where the Association has a present obligation to pay resulting from employees' services provided up to reporting date.

- Wages, salaries and annual leave – Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of year-end. The provision has been calculated at current wage and salary rates including related on-costs. Sick leave is expensed as incurred.
- Long Service Leave – The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to reporting date. The portion of the long service leave liability not expected to be settled within 12 months is discounted using the rates applicable to national government securities at reporting date, which most closely match the terms of maturity of the related liability. The long service liability expected to be settled within 12 months of year-end is included as a current liability in the balance sheet. The long service leave not expected to be settled within 12 months of year end is included as a non current liability in the balance sheet.
- Superannuation – Superannuation contributions by the Association on a defined basis to an employee superannuation fund are charged as expenses when incurred. The Association has no legal obligation to provide benefits to employees on retirement.

(r) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the Association are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

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**2 STATEMENT OF ACCOUNTING POLICIES (cont.)**

**(s) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 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 cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**3 FINANCIAL RISK MANAGEMENT**

**Overview**

The Association has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. The Committee of Management is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Association's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Association.

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**3 FINANCIAL RISK MANAGEMENT (cont.)**

**Credit Risk**

Credit risk is the risk of financial loss to the Association if a member, customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's sundry receivables.

*Trade and Other Receivables*

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each member. The demographics of the Association's member base, including the default risk of the industry in which members operate, has less of an influence on credit risk.

There is an allowance for impairment on the trade and other receivable balances, assessed as any balance due over 90 days.

*Investments*

The Association limits its exposure to credit risk by placing investments in liquid securities and only with banks. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

**Liquidity Risk**

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

Typically, the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association enters into and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Committee of Management.

**Interest Rate Risk**

The Association has limited its exposure to changes in interest rates on borrowings.

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	2008	2007
	\$	\$
<b>4 REVENUE</b>		
Member Subscriptions	4,107,245	4,298,499
Interest	402,229	255,548
Insurance Commission	89,790	107,399
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
Income from Membership Activities	<u>2,114,330</u>	<u>2,488,913</u>
<b>Total Revenue</b>	<u><u>8,398,033</u></u>	<u><u>7,983,692</u></u>
<b>5 REVENUES AND EXPENSES</b>		
<b>Finance Income / (Costs)</b>		
Finance Charges under Finance Lease and Hire Purchase	(47)	(2,751)
Bank Interest Receivable	<u>402,229</u>	<u>255,548</u>
<b>Net Finance Income</b>	<u><u>402,182</u></u>	<u><u>252,797</u></u>
<b>Employee Benefits</b>		
Annual Leave Accrued	-	(8,410)
Fringe Benefits Tax	26,784	24,521
Long Service Leave Provided	27,183	26,221
Payroll Tax	109,303	85,529
Salary and Wages	2,224,829	1,691,145
Superannuation	<u>186,846</u>	<u>142,095</u>
	<u><u>2,574,945</u></u>	<u><u>1,961,101</u></u>
<b>6 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements	24,000	23,430
Audit of Grant Moneys	400	-
Audit of Related Entities	-	1,650
Other Services	<u>31,182</u>	<u>31,085</u>
	<u><u>55,582</u></u>	<u><u>56,165</u></u>
<b>7 INCOME TAX</b>		

No provision has been made for income tax on the results of the Association and the Branch as they are exempted from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

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	2008	2007
	\$	\$
<b>8 CASH AND CASH EQUIVALENTS - CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>
<b>9 TRADE AND OTHER RECEIVABLES - CURRENT</b>		
Trade Debtors	218,796	215,873
Less: Allowance for Doubtful Debts	85,505	83,328
	<u>133,291</u>	<u>132,545</u>
Other Debtors	-	150,000
Less: Allowance for Impairment	-	(150,000)
	<u>-</u>	<u>-</u>
	<u>133,291</u>	<u>132,545</u>
<b>10 OTHER CURRENT ASSETS</b>		
Investment in Legal Action	323,935	674,865
Prepayments	18,570	15,016
	<u>342,505</u>	<u>689,881</u>

The Investment in Legal Action represents the unamortised amount of the expenses incurred in the TVN/TAB matter. This amount is written off against the amounts received and due to be received and represented in Revenue at Note 4 & Income in Advance at Note 13.

**11 PROPERTY, PLANT & EQUIPMENT – NON CURRENT**

Strata Units – At Independent Valuation and Additions at Cost	5,250,000	5,250,000
Less: Provision for Depreciation	153,125	21,875
	<u>5,096,875</u>	<u>5,228,125</u>
Plant and Equipment – At Cost	1,033,322	1,025,659
Less: Provision for Depreciation	991,175	950,076
	<u>42,147</u>	<u>75,583</u>
Motor Vehicles – At Cost	265,920	191,060
Less: Provision for Depreciation	53,112	80,305
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant and Equipment	<u>5,351,830</u>	<u>5,414,463</u>

The basis of the valuation of Strata Units is fair market value based on existing use. The valuation dated 1 November 2007 was carried out by Peter A Brown, valuer number 6268.



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	2008	2007
	\$	\$
<b>11 PROPERTY, PLANT &amp; EQUIPMENT – NON CURRENT (cont.)</b>		
<b>Reconciliations</b>		
Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:		
<u>Strata Units</u>		
Carrying amount at beginning of year	5,228,125	3,644,063
Revaluation Increment	-	1,687,187
Depreciation	(131,250)	(103,125)
	<u>5,096,875</u>	<u>5,228,125</u>
<u>Plant &amp; Equipment</u>		
Carrying amount at beginning of year	75,583	104,856
Additions	8,282	16,267
Depreciation	(41,718)	(45,540)
	<u>42,147</u>	<u>75,583</u>
<u>Motor Vehicles - Leased Assets</u>		
Carrying amount at beginning of year	110,755	101,474
Additions	188,441	76,649
Disposals	(37,692)	(41,140)
Depreciation	(48,696)	(26,228)
	<u>212,808</u>	<u>110,755</u>
Total Property, Plant & Equipment	<u>5,351,830</u>	<u>5,414,463</u>
<b>12 INVESTMENTS – NON CURRENT</b>		
Shares in Subsidiary Companies – At Cost	<u>32</u>	<u>32</u>
<b>13 TRADE AND OTHER PAYABLES - CURRENT</b>		
Trade Creditors and Accruals	531,015	265,283
Agency Withholdings	-	194,196
GST (Refundable) / Payable	(22,229)	6,728
Subscriptions in Advance	364,822	811,355
Income in Advance	1,081,319	796,148
	<u>1,954,927</u>	<u>2,073,710</u>

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	2008	2007
	\$	\$
<b>14 INTEREST BEARING LOANS AND BORROWINGS – CURRENT</b>		
Lease Liability	-	29,375
<b>15 PROVISIONS</b>		
Employee Entitlements – Current	293,318	245,023
Employee Entitlements – Non Current	50,751	77,542
	<u>344,069</u>	<u>322,565</u>
<b>16 ASSET REVALUATION RESERVE</b>		
Opening Balance	3,581,000	1,893,813
Increment on Revaluation of Strata Units	-	1,687,187
Closing Balance	<u>3,581,000</u>	<u>3,581,000</u>
<b>17 RETAINED EARNINGS</b>		
Balance at beginning of year	3,941,496	2,982,614
Profit for year	925,760	958,881
Shares in AHA (NSW) Holdings Pty Limited	-	1
Balance at end of year	<u>4,867,256</u>	<u>3,941,496</u>
<b>18 RELATED PARTY TRANSACTIONS</b>		

**Other Related Parties**

The Association collects commission income on behalf of Australian Hospitality Insurance Services Pty Limited and maintains this in a bank account held in the name of the Association. The balance collected less any direct costs to 31 December 2008 was \$226,686 (2007: \$138,680).

The Association paid a member of the Executive Committee (Paul Dirou) \$34,120 for gaming consultancy services. This service was provided under normal commercial terms.

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	2008	2007
	\$	\$

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**19 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer, Ms. Sally Fielke. Mr. Brian Ross resigned as Chief Executive Officer in March 2008.

The names of members of the Executive Committee who have held office during the year are:

John Thorpe	Scott Leach	Bevan Douglas	Peter Harris
Nigel Corne	Bruce Woods	Lynette Humphreys	Kim Maloney
Colin Waller	Philip Webster	Colin Parras	Paul Dirou
Charles Fenton	Patrick Gurr	Richard Munro	

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

	2008	2007
	\$	\$
Short-term employee benefits	319,616	328,825

The following key management personnel were officeholders in the Association's subsidiary companies referred to in Note 2(d); Scott Leach, Lynette Humphreys, Colin Waller and Patrick Gurr.

Colin Waller and Bevan Douglas are officeholders of companies associated with or related to the Association and receive directors' fees paid directly to them from those companies.

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	2008	2007
	\$	\$

**20 FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are as follows:

*Fixed rate instruments*

Financial assets	4,758,100	3,579,656
Financial liabilities	-	-
	<u>4,758,100</u>	<u>3,579,656</u>

*Variable rate instruments*

Financial assets	158,495	128,570
Financial liabilities	-	(29,375)
	<u>158,495</u>	<u>99,195</u>

**Fair value sensitivity analysis for fixed rate instruments**

An increase of 100 basis points in interest rates at reporting date would have increased the consolidated entity's equity and profit by \$47,581.

**Fair value sensitivity analysis for variable rate instruments**

An increase of 100 basis points in interest rates would have increased the consolidated entity's equity and profit by \$1,585.

**(b) Credit Risk**

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at reporting date was:

Cash and Cash Equivalents	4,919,594	3,711,225
Trade and Other Receivables	<u>133,291</u>	<u>132,545</u>
	<u>5,052,885</u>	<u>3,843,770</u>

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Association.

**Impairment losses**

There were no impairment losses recognised during the year.

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**20 FINANCIAL INSTRUMENTS (cont.)**

**(c) Liquidity Risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

**31 December 2008**

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Trade and other payables	(508,786)	(508,786)	(508,786)	-	-	-	-
Subscriptions and income in advance	(1,446,141)	(1,446,141)	(1,446,141)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(1,954,927)	(1,954,927)	(1,954,927)	-	-	-	-

**31 December 2007**

	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Secured loans	-	-	-	-	-	-	-
Finance lease liabilities	(29,375)	(33,083)	(16,541)	(16,542)	-	-	-
Trade and other payables	(466,207)	(466,207)	(466,207)	-	-	-	-
Subscriptions and income in advance	(1,607,503)	(1,607,503)	(1,607,503)	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Derivative financial liabilities</b>	-	-	-	-	-	-	-
	(2,103,085)	(2,106,793)	(2,090,251)	(16,542)	-	-	-

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	2008 \$	2007 \$
<b>21 LEASE COMMITMENTS</b>		
Finance Lease		
Not later than one year	-	33,083
Later than one year but less than 2 years	-	-
Later than 2 years but less than 5 years	-	-
	-	33,083
Less Future Finance Charges	-	3,708
	-	<u>29,375</u>
Operating Lease		
Not later than one year	-	62,461
Later than one year but less than 2 years	-	-
	-	62,461
Less Future Finance Charges	-	6,508
	-	<u>55,953</u>

**22 RECONCILIATION OF CASH**

For the purposes of the cash flow statement, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash on Hand	2,999	2,999
Term Deposits	4,750,000	3,579,656
Cash at Bank	166,595	128,570
	<u>4,919,594</u>	<u>3,711,225</u>

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	2008 \$	2007 \$
<b>23 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO NET OPERATING REVENUE</b>		
Profit from Ordinary Activities Attributable to Members	925,760	958,881
Non-Cash Flows and Non-Operating Items in Operating Profit:		
Depreciation	221,664	174,893
(Profit) / Loss on Sale of Fixed Assets	(5,194)	4,879
Change Assets and Liabilities:		
(Increase) / Decrease in Current Receivables	(746)	213,040
Decrease / (Increase) in Other Current Assets	347,376	211,957
(Decrease) / Increase in Trade and Other Payables	(118,783)	(94,475)
Increase / (Decrease) in Employee Provisions	21,504	17,812
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,391,581</u>	<u>1,486,987</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**24 ASSOCIATION DETAILS**

The registered office of the Association is:

Level 5, 8 Quay Street  
Sydney NSW 2000

The principal place of business is:

Level 5, 8 Quay Street  
Sydney NSW 2000

**25 SEGMENT REPORTING**

The Association and its controlled entities operate as an employer association providing a range of services to members in the hospitality industry in the state of New South Wales.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) and its controlled entities hereby certify that the number of members of the Association at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Association, and all moneys so paid, or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Association;
- (c) Before any expenditure was incurred by the Association approval of the incurring of the expenditure was obtained in accordance with the Rules of the Association;
- (d) With regard to funds of the Association 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;
- (e) All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the Rules of the Association; and
- (f) The register of members of the Association was maintained in accordance with the Regulations under the Industrial Relations Act 1996 (NSW).

  
Accounting Officer

Dated:



**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association, New South Wales Branch hereby certify that the number of members of the Branch at 31 December 2008 was 1,655.

In my opinion:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Branch at 31 December 2008;
- (b) A record has been kept of all moneys paid by, or collected from, members of the Branch, and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the Rules of the Branch;
- (c) Before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the Rules of the Branch;
- (d) With regard to funds of the Branch 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;
- (e) All loans or other financial benefits granted to persons holding office in the Branch were authorised in accordance with the Rules of the Branch; and
- (f) The register of members of the Branch was maintained in accordance with Section 230 of Schedule 1 of the Workplace Relations Act 1996 (Cth).



**Accounting Officer**

**Dated:** 4<sup>th</sup> March 2009

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

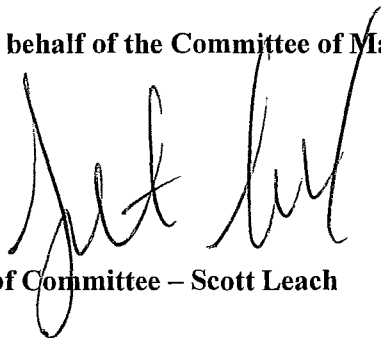
**STATEMENT OF COMMITTEE OF MANAGEMENT**

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In accordance with a Resolution of the Committee of Management of Australian Hotels Association (NSW) and its controlled entities, we state that in the opinion of the Committee:

- (a) The accompanying financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2008;
- (b) Meetings of the Committee of Management were held in accordance with the Rules of the Association;
- (c) During the financial year to which the financial statements relate, there has not been, to the knowledge of any member of the Committee of Management, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under the Regulations of the Industrial Relations Act 1996 (NSW)), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished or made available to members of the Association in accordance with the Industrial Relations Act 1996 (NSW), this regulation or the Rules of the Association, as the case may be;
- (d) In relation to the report prepared in accordance with the regulations under the Industrial Relations Act 1996 (NSW) by the Auditor of the Association in respect of the financial year immediately proceeding the financial year to which these financial statements relate and in relation to any financial report prepared in accordance with the Regulations under the Industrial Relations Act 1996 (NSW) to which that report relates, the Association has distributed the relevant financial report in accordance with the Regulations under the Industrial Relations Act 1996 (NSW); and
- (e) There are reasonable grounds to believe that the Association and its controlled entities will be able to pay their debts as and when they fall due.

**Signed on behalf of the Committee of Management**



**Member of Committee – Scott Leach**



**Member of Committee – Colin Waller**

**Dated:** *4<sup>th</sup> March 2009*

## AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

### STATEMENT OF COMMITTEE OF MANAGEMENT

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On 4 March 2009 the Committee of Management of the Australian Hotels Association, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2008.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 31 December 2008;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2008 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the reporting unit;
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation and the rules of the reporting unit;
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1 of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation;
  - (v) no information has been sought in any request by a member of the reporting unit or a Registrar under Section 272 of Schedule 1 of the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Industrial Registrar under Section 273 of Schedule 1 of the Workplace Relations Act 1996.

Signed on behalf of the Committee of Management

  
Member of Committee – Scott Leach

  
Member of Committee – Colin Waller

Dated: 

# AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH

## OPERATING REPORT

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This operating report covers the results of those activities that were provided for the financial year ended 31 December 2008.

### 1. Principal Activities of the Branch

The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Association during the past year fell into the following categories:

- Provision of Industrial support to members including advice on legal and legislative matters, contractual obligations and representation of individual members. Administration of Federal and State awards and the variation of awards following major test cases.
- Media and Communications to members and to the broader community via media releases in support of campaigns and targeted publications including national & state magazines.
- Facilitating training courses such as Responsible Service of Alcohol and Responsible Conduct of Gaming to hoteliers and their staff in order for them to comply with the requirement for the operation of their liquor licence.
- Provision of information for members providing up to date material relevant to hotels.
- Organisation of events to members such as Awards for Excellence, Business Exchange, Charity Fund Raising etc. in order to recognise their achievements and contribution to the community.
- Provision of Counselling Service to problem gamblers to minimise harm.

### 2. Financial Activities of the Branch

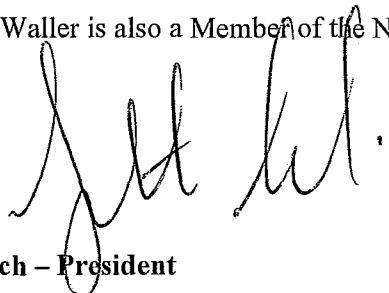
- There were no financial activities of the Branch.
- The amounts received from the Association were higher than the previous year and the total amount received was paid to the National Organisation as capitation fees.

### 3. Committee of Management Members

The following persons were Delegates of the Branch to the National Board during the year ended 31 December 2008:

Colin Waller, Bruce Woods, Phillip Webster, Lynette Humphreys, Scott Leach and Patrick Gurr.

Colin Waller is also a Member of the National Executive.



Scott Leach – President

Dated:

4<sup>th</sup> March, 2009

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

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**Report on the Financial Report**

We have audited the financial report of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) for the financial year ended 31 December 2008, consisting of the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity, Notes to the Financial Statements, Certificates of the Accounting Officer, Statements of the Committee of Management and Operating Report set out on pages 1 to 28.

**The Financial Report and Committee of Management Responsibility**

The Committee of Management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth). This includes responsibility for the maintenance of 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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of 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.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements, the Industrial Relations Act 1996 (NSW) and the Workplace Relations Act 1996 (Cth).

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH (cont.)**

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**Audit Opinion**

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Association, its controlled entities and the Branch during the financial year including records of the sources and nature of income (including income from members) and of the nature and purpose of expenditure of the Association, its controlled entities and the Branch; and
- (ii) the accompanying financial report (including the Statements of the Committee of Management and the Operating Report) set out on pages 1 to 28 which have been prepared under the historical cost convention as stated in Note 2, are properly drawn up in accordance with the provisions of the Regulations under the Industrial Relations Act 1996 (NSW) and Sections 252-254 of Schedule 1 of the Workplace Relations Act 1996 (Cth) and applicable Australian accounting standards, professional reporting requirements and Urgent Issues Group Consensus Views, so as to give a true and fair view of:-
- a) the state of affairs of the Association, its controlled entities and the Branch as at 31 December 2008; and
- b) the performance of the Association, its controlled entities and the Branch for the year ended on that date; and
- (iii) all of the information and explanations that officers or employees of the Association were required to provide pursuant to the Regulations under the Industrial Relations Act 1996 (NSW) were provided; and
- (iv) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996 (Cth); and
- (b) other mandatory professional reporting requirements in Australia.



**V J RYAN & CO**  
**Chartered Accountants**

**Level 5**  
**255 George Street**  
**SYDNEY NSW 2000**



**Partner: Peter Gerard Crawford**

**Dated: 4 March 2009**

**COMPILATION REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW),  
ITS CONTROLLED ENTITIES AND  
AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

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The additional financial data presented on pages 32-34 is in accordance with the books and records of Australian Hotels Association (NSW) (the Association), its controlled entities and Australian Hotels Association, New South Wales Branch (the Branch) which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2008. It should be appreciated that our audit did not cover all details of the attached financial data.

Accordingly, we do not express an opinion on such financial data and in particular no warranty of accuracy or reliability is given. Neither the firm nor any member of the firm undertakes responsibility in any way whatsoever to any person (other than the Association, its controlled entities and the Branch) in respect of such data, including any errors or omissions however caused.



**V J RYAN & CO  
Chartered Accountants**

**Level 5  
255 George Street  
SYDNEY NSW 2000**



**Partner: Peter Gerard Crawford**

**Dated: 4 March 2009**



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>INCOME</b>		
Member Subscriptions	4,107,245	4,298,499
Interest Received	402,229	255,548
Insurance Commissions	89,790	107,399
Income from Membership Activities	2,114,330	2,488,913
TVN/TAB Recovery	833,333	833,333
Keno Establishment Fee	750,000	-
Keno Commission	95,912	-
Profit on Sale of Fixed Assets	5,194	-
	<u>8,398,033</u>	<u>7,983,692</u>
<b>EXPENDITURE</b>		
Accounting and Consulting Fees	33,647	19,530
Accommodation Division	178,219	223,668
Advertising and Staff Hire	11,207	37,846
Administration	4,796	18,495
Annual Report	11,907	12,904
Annual Leave Accrued	-	(8,410)
Auditor's Remuneration	24,400	23,430
Bank Charges	29,547	36,449
Capitation Fees	249,386	249,386
Cleaning and Laundry	29,675	29,182
Computer and Development Costs	196,787	124,419
Consultancy	185,554	100,854
Delegates	84,485	67,593
Depreciation	221,664	174,893
Donations	194,808	638,086
Doubtful Debts Allowance	2,176	41,025
Electricity	14,936	8,766
Executive Administration	377,623	312,843
Executive and Committee of Management	198,372	126,110
Flowers and Plant Hire	8,733	10,591
Fringe Benefits Tax	26,784	24,521
Gaming Department and Research	309,519	210,970
Hotel News	182,455	158,040
Insurance	60,573	55,234
Industrial and Membership	35,145	96,279
Leasing Interest	47	2,751
Legal Fees	612,159	587,352
Long Service Leave Provided	27,183	26,221
Loss on Disposal of Assets	-	4,879
Marketing	402,923	451,516

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
AND ITS CONTROLLED ENTITIES**

**INCOME STATEMENT (cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b>EXPENDITURE (cont.)</b>		
Membership	161,822	167,004
National Executive and Board Meetings	23,733	23,737
National Office Costs	69,444	24,000
Parking Levy	9,500	9,150
Payroll Preparation	2,644	2,260
Payroll Tax	109,303	85,529
President's Allowance	60,000	60,000
Printing and Stationery	6,995	584
Public Relations	120,781	35,293
TVN/TAB Expense Allocation	323,935	323,935
Pubstay	20,789	21,920
Rates, Taxes and Strata Levies	99,592	89,189
Regional Meetings	42,529	26,534
Repairs and Maintenance	12,381	23,503
Salaries and Wages	2,224,829	1,691,145
Security	274	1,865
Sponsorship	36,280	127,891
Staff Amenities	24,036	9,691
Staff Training and Recruitment	6,861	14,166
Sub Branch Subsidies	5,000	-
Superannuation	186,846	142,095
Telephone	85,607	52,492
Training Department	115,528	220,002
Travel	8,854	7,403
	<u>7,472,273</u>	<u>7,024,811</u>
<b>Profit for the year</b>	<u>925,760</u>	<u>958,881</u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION, NEW SOUTH WALES BRANCH**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Amount Received from Australian Hotels Association (NSW)	249,386	249,386
<b>EXPENDITURE</b>		
Capitation Fees paid to National AHA	<u>249,386</u>	<u>249,386</u>
	<u><u>-</u></u>	<u><u>-</u></u>

This Statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW),  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF SECRETARY**

---

I, Colin Waller, duly authorised officer of Australian Hotels Association (NSW) and its controlled entities, hereby certify that the documents lodged herewith are true copies of the financial statements, Auditor's Report and certificates presented to the:

Annual General Meeting of Members of the organisations held on 21 April 2009 and/or

the Committee of Management Meeting held on 4 March 2009 in respect of the financial year of the organisation ended 31 December 2008.

That the full report was presented.

Secretary



Dated:

21 APRIL 2009