

7 August 2014

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

Dear Mr Waller

**Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 31 December 2013 (FR2013/480)**

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the New South Wales Branch of the Australian Hotels Association for the financial year ended 31 December 2013. The application was lodged with the Fair Work Commission on 31 July 2014.

I have granted the application. The certificate is attached. I make the following comments to assist you when you next prepare a financial report. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report:

Review of Principal Activities

Subsection 254(2)(a) of the RO Act requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the operating report only provides a description of the principal activities, but does not provide a review of the principal activities, the results of these activities nor whether there were any significant changes in the nature of these activities. You are not required to take further action in respect of this application. However, please ensure this is remedied when you prepare an operating report as part of the section 269 application in future years.

If you wish to discuss this matter please contact Nick Salzberg on (03) 8661 7812 or by email at [nick.salzberg@fwc.gov.au](mailto:nick.salzberg@fwc.gov.au)

Yours sincerely



Chris Enright  
Delegate of the General Manager



FairWork  
Commission

# CERTIFICATE

*Fair Work (Registered Organisations) Act 2009*

s.269(2)(a)—Reporting unit's financial affairs encompassed by associated State body

**Australian Hotels Association**  
(FR2013/480)

MR ENRIGHT

MELBOURNE, 7 AUGUST 2014

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

On 31 July 2014 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the New South Wales Branch of the Australian Hotels Association (the reporting unit) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of the Australian Hotels Association NSW (the Association), an associated State body, in respect of the financial year ended 31 December 2013.

[1] On 31 July 2014, the reporting unit lodged a copy of the audited accounts of the Association with the Fair Work Commission.

[2] 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 reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[3] 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;
- any members of the reporting unit 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 reporting unit who are members of the Association; and
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[4] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ended 31 December 2013, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER

Printed by authority of the Commonwealth Government Printer

<Price code A>



30 July 2014

Ms. Bernadette O'Neill  
General Manager  
Fair Work Commission  
GPO Box 1994  
MELBOURNE VIC 3001

Dear Ms. O'Neill,

**Application for exemption pursuant to s 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 an 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 of 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.
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 2013 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 the provisions of the State Act through their reproduction in the 2013 Annual Report of the State Organisation (Attachment C); and
- iii. At the time of providing a copy of the 2013 Annual Report of the State Organisation, all members of the Branch and the State Organisation were provided with a copy of the Branch's Operating Report for the financial year ended 31 December 2013. A copy of the Branch Operating Report is **attached** (Attachment D).

If you require any further information in relation to this Application would you please contact Mr. Phillip Ryan, Director, Legal and Industrial Affairs (02) 9281 6922.

Yours faithfully,

**COLIN WALLER**  
**Secretary/Treasurer**

Encl.



- (i) The Returning Officer shall admit the ballot papers properly marked and count the votes thereon indicated.
- (j) In the event of an equality of votes between candidates the Returning Officer shall determine by lot which of those candidates are to be elected.
- (k) The Returning Officer shall declare the candidate or candidates receiving the greatest number of votes or elected by lot duly elected forthwith on completion of the ballot.

31.10 The Executive Committee elected in accordance with this Rule shall continue to hold office in an Election Year for the period following the February Council Meeting of newly elected Delegates up to and including the election of a new Executive Committee at the April Council Meeting at which time a handover to the new Committee will occur.

## **32. SCRUTINEERS**

- 32.1 In any election any duly nominated candidate may appoint in writing any Member or Representative who is not a candidate for that election to act as a scrutineer on that candidate's behalf at that election and such candidate may appoint any other such Member or Representative in substitution for or in place of the original appointee.
- 32.2 All scrutineers shall, so far as possible, having regard to the time of their appointment in the case of a postal ballot be entitled to observe the posting of nomination forms and the consideration thereof on return and in the case of all elections be entitled to inspect the nomination forms and observe the form and distribution of ballot papers, the collection of ballot papers on their return, the checking of votes, the admission and counting of vote, the conduct of the determination of the election by lot and the declaration of the ballot.
- 32.3 In every case it shall be the right and duty of the scrutineer to observe any act performed or directed by the Returning Officer which may affect the result of the election and the Returning Officer shall take all reasonable steps by notification or otherwise to enable such scrutineer to exercise this right, but no election shall be vitiated by reason of the fact that a scrutineer does not, in fact, exercise all or any of such rights if that scrutineer has had a reasonable opportunity to do so.
- 32.4 A scrutineer shall direct the attention of the Returning Officer to any irregularity that may be detected whether in the nomination forms, the form or right of any person to vote, the admission or counting of ballot papers or in respect of any other matter to be observed or done under these Rules in connection with elections.
- 32.5 A scrutineer shall do all things necessary so that the conduct of an election shall conform to these Rules and so that the secrecy of the ballot shall be observed.

## **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:

Registered rules of the **Australian Hotels Association (NSW)** as at 20 August 2013



New South Wales

# INDUSTRIAL REGISTRY OF NEW SOUTH WALES

- (i) Delegates to Council for the respective Sub-Branches
- (ii) President
- (iii) Senior Vice Presidents
- (iv) Vice President
- (v) Secretary/Treasurer
- (vi) Country Members 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, Catering and Cafes Division

shall be taken to be validly elected to the corresponding office in the State 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 State Organisation are identical or substantially similar;
  - (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 State Organisation to the benefit of Section 239 of the State Act;

## AND PROVIDED THAT

Registered rules of the **Australian Hotels Association (NSW)** as at 20 August 2013



New South Wales

- (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 State 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 State Organisation shall provide written notice of any such amendments to the Industrial Registrar.

## **G CESSATION OF AND REMOVAL FROM OFFICE**

### **33. CESSATION OF MEMBERSHIP OF THE COUNCIL OR THE EXECUTIVE COMMITTEE**

33.1 A person shall cease to be eligible to be a Delegate to the Council or a Member of the Executive Committee (as the case may be) if:

- (a) the person resigns in writing;
- (b) the person ceases to be a Member of the State Organisation, or if the person is a Representative, the Member which that person represents ceases to be a Member of the State Organisation;
- (c) if the person having been a Representative of a Member ceases to be a Representative of that Member;
- (d) if the person is removed from office in the manner provided for in Rule 34;
- (e) if the person is certified by a medical practitioner to be insane or otherwise incapable of acting; or
- (f) if the person is absent without prior leave from the Council from three or more Meetings of the Council or the Executive Committee (as the case may be) in a Membership Year.
- (g) if a person no longer meets the criteria for nomination under rule 30.1(g).

33.2 A person shall cease to be a Member of the Executive Committee if that person ceases to be a delegate to Council, except under the circumstances created by rule 31.10.

### **34. REMOVAL FROM OFFICE**

34.1 The Council may remove from office any delegate to the Council or any Member of the Executive Committee subject to the following procedures:

### **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 *Fair Work (Registered Organisations) Act 2009* of the Commonwealth.



"B"

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

<b>CONTENTS</b>	<b>PAGE</b>
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Changes in Equity	4
Notes to the Consolidated Financial Statements	5 – 18
Certificate of Accounting Officer	19
Statement of Committee of Management	20
Independent Auditor's Report to the Members	21 – 22
Compilation Report to the Members	23
Profit and Loss Statement	24 – 25

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Note</b>	<b>2013 \$</b>	<b>2012 \$</b>
<b>REVENUE</b>	<b>3</b>	8,859,542	8,497,579
<b>EXPENDITURE</b>			
Administrative, Member and Other Expenses		(4,530,721)	(4,095,400)
Loss on Disposal of Non Current Assets		(6,944)	(2,995)
Employee Benefits Expense	<b>4</b>	(3,174,730)	(2,678,816)
		(7,712,395)	(6,777,211)
<b>Profit Before Depreciation and Income Tax Expense</b>		1,147,147	1,720,368
Depreciation		(439,928)	(479,914)
<b>Profit Before Income Tax Expense</b>		707,219	1,240,454
Income Tax Expense	<b>6</b>	-	-
<b>NET PROFIT FOR THE YEAR</b>		<u>707,219</u>	<u>1,240,454</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be Reclassified Subsequently to Profit or Loss		-	-
Items that will not be Reclassified to Profit or Loss		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>707,219</u>	<u>1,240,454</u>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	<b>Note</b>	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	<b>7</b>	5,032,710	4,220,964
Trade and Other Receivables	<b>8</b>	517,256	618,706
Other Assets	<b>9</b>	77,821	160,021
<b>TOTAL CURRENT ASSETS</b>		<u>5,627,787</u>	<u>4,999,691</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	<b>10</b>	7,249,514	7,647,475
Investments	<b>11</b>	4,800,021	4,800,021
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,049,535</u>	<u>12,447,496</u>
<b>TOTAL ASSETS</b>		<u>17,677,322</u>	<u>17,447,187</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	<b>12</b>	2,711,568	2,399,007
Provisions	<b>13</b>	338,474	250,450
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,050,042</u>	<u>2,649,457</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and Borrowings	<b>14</b>	349,917	1,252,452
Provisions	<b>13</b>	1,086,132	1,061,266
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,436,049</u>	<u>2,313,718</u>
<b>TOTAL LIABILITIES</b>		<u>4,486,091</u>	<u>4,963,175</u>
<b>NET ASSETS</b>		<u>13,191,231</u>	<u>12,484,012</u>
<b>EQUITY</b>			
Retained Earnings		13,191,231	12,484,012
<b>TOTAL EQUITY</b>		<u>13,191,231</u>	<u>12,484,012</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities:</b>			
Receipts from Members and Third Parties		8,457,101	8,211,311
Payments to Suppliers and Employees		(7,197,800)	(8,100,089)
Dividend Received		300,789	175,695
Interest Income		203,102	230,121
Net Cash Provided by Operating Activities	17	1,763,192	517,038
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(62,075)	(107,523)
Proceeds from Sale of Property, Plant and Equipment		13,164	-
Proceeds from Investments		-	1,200,000
Net Cash (Used In) / Provided By Investing Activities		(48,911)	1,092,477
<b>Cash Flows from Financing Activities:</b>			
Principal Loan Repayments		(902,535)	(1,871,365)
Net Cash (Used in) Financing Activities		(902,535)	(1,871,365)
Net Increase / (Decrease) in Cash held		811,746	(261,850)
Cash and Cash Equivalents at Beginning of Financial Year		4,220,964	4,482,814
<b>Cash and Cash Equivalents at End of Financial Year</b>	7	<b>5,032,710</b>	<b>4,220,964</b>

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Retained Earnings \$</b>	<b>Equity \$</b>
<b>At 1 January 2012</b>	11,243,558	11,243,558
<i><b>Total Comprehensive Income for the Year</b></i>		
Net Profit for the Year	1,240,454	1,240,454
<i><b>Other Comprehensive Income</b></i>		
Other Comprehensive Income	-	-
<b>At 31 December 2012</b>	12,484,012	12,484,012
<i><b>Total Comprehensive Income for the Year</b></i>		
Net Profit for the Year	707,219	707,219
<i><b>Other Comprehensive Income</b></i>		
Other Comprehensive Income	-	-
<b>At 31 December 2013</b>	<u>13,191,231</u>	<u>13,191,231</u>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**1 CORPORATE INFORMATION**

The consolidated financial report of Australian Hotels Association (NSW) ("the Association"), and its Controlled Entities for the year ended 31 December 2013 were authorised for issue in accordance with a Resolution of the Committee of Management on 5 March 2014.

The Association is incorporated in Australia. The nature of the operations is that of an Industrial Association comprising and representing members of the hotel industry.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The Controlled Entities are for-profit entities for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year. All amounts are presented in Australian dollars and have been rounded to the nearest dollar.

**(b) Statement of Compliance**

The consolidated financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Changes in Accounting Policies**

**Presentation of Financial Statements**

From 1 January 2013, the Association has applied amendments to *AASB 101 Presentation of Financial Statements* as outlined in *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The revised version of AASB 101 contains a number of terminology changes, including the amendments of the names of the primary financial statements. The amendments change the title of the Statement of Comprehensive Income to the Statement of Profit or Loss and Other Comprehensive Income. It has no impact on profit or loss.

**Presentation of Transactions Recognised in Other Comprehensive Income**

From 1 January 2013, the Association has applied amendments to *AASB 101 Presentation of Financial Statements* as outlined in *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has no impact on profit or loss. These changes have been applied retrospectively and require the Association to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified. These changes are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Australian Hotels Association (NSW), Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Business Portal 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 which in the opinion of the Committee of Management equates to their market value. Intra group balances are eliminated in preparing the consolidated financial statements.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the Association and Controlled Entities. The following specific recognition criteria also apply before revenue is recognised:

- Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period;
- Dividends are brought to account when received; and
- Other subscription revenue, training revenue, commission, interest received and other sundry revenues are recognised on an accrual basis.

**(f) 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) (herein referred to as “the State Organisation”); and
  - b) certain entities which are wholly owned subsidiaries of the State Organisation, as referred to in paragraph (d) above.
- (ii) There is also a special relationship between the State Organisation and the Australian Hotels Association, NSW Branch, being a branch of an organisation of employers by the name “Australian Hotels Association” registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (iii) The Australian Hotels Association NSW Branch (“The Federal Branch”) is the counterpart branch of the federal registered Australian Hotels Association (“AHA”) to the State Organisation, and the membership and officers of the Federal Branch are the same as the membership and officers of the State Organisation.
- (iv) By reason of arrangements that exist between the State Organisation and the Federal Branch, the Federal Branch does not require its members to pay membership fees to the Federal Branch on condition that any capitation fees, levies, contributions or other amounts required to be paid by the Federal Branch to the National Office of the AHA are paid to that Office by the State Organisation on behalf of the Federal Branch (See Rule 9 of the Rules of the Federal Branch).
- (v) 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.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Special Note Concerning Basis of Financial Statements (Continued)**

- (vi) As a consequence of the foregoing arrangements the Federal Branch does not currently and has not had in the reporting period any financial activities separate to those of the State Organisation, all such activities of the Federal Branch being encompassed within the financial affairs of the State Organisation as contemplated by Section 269 of the Fair Work (Registered Organisations) Act 2009 (Cth).
- (vii) These financial statements reflect the arrangements between the Federal Branch and the State Organisation as referred to above by way of an explanation at Note 15 concerning related party transactions.

**(g) 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.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less.

**(i) Trade and Other Receivables**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

***Strata Units***

Strata units are shown at cost less subsequent depreciation. In periods when the strata units are not subject to an independent valuation, the Committee of Management conduct their own assessment to ensure the carrying amount is not materially different to the fair value. The Committee of Management considers it appropriate to state the value of the Strata Titled Units together with additions at cost.

***Plant, Equipment and Motor Vehicles***

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present.

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

- Strata Units – 40 years straight line
- Strata Units Renovations – 10 to 15 years straight line
- Plant and Equipment – 5 to 15 years straight line
- Motor Vehicles – 4 to 5 years diminishing value

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

**(k) Impairment of Assets**

At each reporting date, the Committee of Management assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Committee of Management 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.

**(l) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received during the reporting period that remain unpaid at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Interest Bearing Loans and Borrowings**

All loans and borrowings are recognised at their principal amount including transaction costs attributable to their issue.

**(n) Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resources will result and that outflow can be reliably measured.

**(o) 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 the 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 the 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 the reporting date, which most closely match the terms of maturity of the related liability.
- *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.

**(p) 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, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) 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 payable to the ATO is included as a current liability in the Consolidated Statement of Financial Position.

**(r) Critical Accounting Estimates and Judgments**

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Estimates and underlying assumptions are reviewed on an ongoing basis.

**(s) Financial Instruments**

*Derivative Financial Instruments*

No derivative financial instruments are used by the Association.

**(t) New Accounting Standards and Interpretations**

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Association. The Association will consider the impact in future years.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>3 REVENUE</b>		
Advertising Commissions	524,496	420,670
Dividend Received	300,789	175,695
Gaming Cost Recovery	106,061	238,334
Insurance Commission	10,871	-
Interest Income	203,102	230,121
Keno Commission	692,422	757,178
Membership Activities	2,783,391	2,566,337
Membership Subscriptions	4,238,410	4,109,244
	<u>8,859,542</u>	<u>8,497,579</u>
<b>4 EXPENSES</b>		
<b>Employee Benefits Expense</b>		
Annual Leave	67,709	(36,417)
Fringe Benefits Tax	24,000	24,000
Long Service Leave	6,872	32,902
Payroll Tax	130,415	110,991
Salary and Wages	2,704,604	2,331,194
Superannuation	241,130	216,146
	<u>3,174,730</u>	<u>2,678,816</u>
<b>5 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements - Association	48,500	33,700
Other Services - Association	51,460	92,002
Other Services - Controlled Entities	450	450
	<u>100,410</u>	<u>126,152</u>
<b>6 INCOME TAX EXPENSE</b>		

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

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>7 CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits – St. George Bank	1,000,000	1,000,000
Term Deposits – Members Equity Bank Pty Limited	2,500,000	2,000,000
Cash at Bank – St. George Bank	1,529,711	1,217,965
	<u>5,032,710</u>	<u>4,220,964</u>
<b>8 TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Debtors	523,856	622,123
Provision for Doubtful Debts	(6,600)	(3,417)
	<u>517,256</u>	<u>618,706</u>
<b>9 OTHER ASSETS</b>		
<b>CURRENT</b>		
Other Debtors	-	318
Prepayments	77,821	159,703
	<u>77,821</u>	<u>160,021</u>
<b>10 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>NON-CURRENT</b>		
Strata Units - At Cost	7,762,585	7,762,585
Less: Provision for Depreciation	920,093	612,018
	<u>6,842,492</u>	<u>7,150,567</u>
Plant and Equipment – At Cost	591,557	577,940
Less: Provision for Depreciation	303,040	202,111
	<u>288,517</u>	<u>375,829</u>
Motor Vehicles – At Cost	181,457	165,080
Less: Provision for Depreciation	62,952	44,001
	<u>118,505</u>	<u>121,079</u>
	<u>7,249,514</u>	<u>7,647,475</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<hr/>		
<b>10 PROPERTY, PLANT &amp; EQUIPMENT (Continued)</b>		
<b>NON-CURRENT</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	7,150,567	7,458,641
Depreciation	(308,075)	(308,074)
	<u>6,842,492</u>	<u>7,150,567</u>
<u>Plant &amp; Equipment</u>		
Carrying Amount at Beginning of Year	375,829	439,735
Additions	13,617	73,455
Depreciation	(100,929)	(137,361)
	<u>288,517</u>	<u>375,829</u>
<u>Motor Vehicles</u>		
Carrying Amount at Beginning of Year	121,079	124,485
Additions	48,458	66,445
Disposals	(20,108)	(35,372)
Depreciation	(30,924)	(34,479)
	<u>118,505</u>	<u>121,079</u>
	<u>7,249,514</u>	<u>7,647,475</u>

**Valuation**

The Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 17 December 2012. The valuation carried out by Mr. S. Hayes, AAPI registered valuer No. 12816 assessed the market value of the Strata Units at \$7,200,000 (Ex GST). The valuation has not been reflected in the consolidated financial statements.

The Committee of Management have reviewed the key assumptions adopted by the valuer in 2012 and do not believe there has been a significant change in the assumptions at 31 December 2013. The Committee of Management therefore believe the carrying amount correctly reflects the fair value at 31 December 2013.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>11 INVESTMENTS</b>		
<b>NON-CURRENT</b>		
Shares in Hospitality Employers Mutual Limited - At Cost	4,800,000	4,800,000
Shares in Subsidiary Companies - At Cost	21	21
	<u>4,800,021</u>	<u>4,800,021</u>

Until 29 June 2012, Hotel Employers Mutual Limited ("HEM") was owned equally by Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") and Employers Mutual Limited ("EML"). AHA Holdings is a wholly owned subsidiary of the Association. Effective 29 June 2012, EML continues to hold 50% of the ordinary share capital of HEM with the remaining shareholding split equally between AHA Holdings – 25% and Clubs (NSW) – 25%. To reflect this expansion effective 29 June 2012, HEM's name was changed to Hospitality Employers Mutual Limited.

Initially, EML provided funding of \$6,000,000 to AHA Holdings to acquire 6,000,000 shares in HEM. Effective 29 June 2012, a capital reduction of \$1,200,000 was applied to AHA Holdings shareholding in HEM. This amount was utilised towards a reduction of the loan (Refer Note 14). The shares are held as security over the loan from EML.

**12 TRADE AND OTHER PAYABLES**

<b>CURRENT</b>		
Trade Creditors and Accruals	568,173	486,509
GST Payable	140,568	88,135
Subscriptions in Advance	1,615,412	1,071,944
Income in Advance	387,415	752,419
	<u>2,711,568</u>	<u>2,399,007</u>

**13 PROVISIONS**

<b>CURRENT</b>		
Employee Entitlements	<u>338,474</u>	<u>250,450</u>
<b>NON-CURRENT</b>		
Employee Entitlements	81,301	83,566
Provision for Economic Costs	1,004,831	977,700
	<u>1,086,132</u>	<u>1,061,266</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<hr/>		
<b>14 LOANS AND BORROWINGS</b>		
<b>NON-CURRENT</b>		
Loan from Employers Mutual Limited	349,917	1,252,452

A loan to Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") to acquire its original shareholding in Hotel Employers Mutual Limited ("HEM") was provided by Employers Mutual Limited ("EML") on the basis that it has no recourse to the Association and limited recourse to AHA Holdings. The limited recourse to AHA Holdings is to AHA Holdings shares in HEM as detailed in Note 11. AHA Holdings is a wholly owned subsidiary of the Association.

On the 9th anniversary of completion, 28 March 2017, AHA Holdings must repay the balance of the loan then outstanding. AHA Holdings is required to make loan repayments to EML in the meantime equal to: i) Sponsorship fees paid by EML/HEM to the Association ii) Advertising fees paid to AHA Holdings and iii) HEM dividends paid to AHA Holdings.

There is no interest payable during the term of the loan, however, AHA Holdings must reimburse the economic cost to EML of providing the funds. The economic cost is calculated daily utilising the 180 day Bank Bill rate applied to the outstanding loan balance during the term of the loan. Refer to Note 13.

As security for the loan, EML, under the Share Charge, holds a first fixed charge over AHA Holdings shares in HEM, as detailed in Note 11 and all rights in relation to them. The Association has no obligation to repay the EML loan or any part thereof or to provide security.

**15 RELATED PARTY TRANSACTIONS**

**Executive Members and Councillors Related Parties**

Executive Members and Councillors are officeholders of the Association.

Executive Members as set out in Note 16 are entitled to claim for attendance at meetings at the rate of \$176 per day or \$110 per half day (inclusive of GST) together with a reimbursement of actual incidental expenses. Members of the Council are entitled to a reimbursement of actual incidental expenses. Officeholders have provided goods and services to the Association on normal commercial terms and are entitled to the payment of outgoings made on their behalf.

The President, Scott Leach was paid an allowance of \$60,000 in the financial year (2012: \$60,000) by way of compensation for costs incurred.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$

**15 RELATED PARTY TRANSACTIONS (Continued)**

**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 2013 was \$10,871 (2012: \$Nil).

Payment of the sum of \$139,814 (2012: \$134,700) by the Association to the National Office of the AHA, constituting satisfaction of the obligation of the Australian Hotels Association, NSW Branch ("the Federal Branch") for the reporting period to the National Office of the AHA pursuant to Rule 12 of the Rules of the AHA (see also Rule 9 of the Rules of Federal Branch).

**16 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer.

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

Scott Leach	Rolly De With	Colin Parras	Nigel Greenaway
Lynette Humphreys	Kim Maloney	Andrew Rendall	Tony McLure
Colin Waller	Phillip Webster	Paul Dirou	Dan Brady
George Bedwani	Peter Tudehope	Des Kennedy	

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

Short Term Employee Benefits	403,350	403,350
------------------------------	---------	---------

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, Kim Maloney and the Chief Executive Officer.

During the financial year, the President Scott Leach and the Secretary/Treasurer Colin Waller were officeholders of companies associated with or related to the Association and received directors' fees paid directly to them from those companies.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>17 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT AFTER INCOME TAX</b>		
Profit from Ordinary Activities	707,219	1,240,454
<i>Non-Cash Flows and Non-Operating Items in Operating Profit:</i>		
Depreciation	439,928	479,914
Loss on Disposal of Non Current Assets	6,944	2,995
<i>Changes in Assets and Liabilities:</i>		
Decrease in Receivables	101,450	119,548
Decrease / (Increase) in Other Assets	82,200	(133,592)
Increase / (Decrease) in Payables and Income in Advance	312,561	(1,272,605)
Increase in Provisions	112,890	80,324
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>1,763,192</b></u>	<u><b>517,038</b></u>

**18 FINANCIAL INSTRUMENTS**

- (a) **Credit Risk** - Credit risk is the risk of financial loss if a customer or counter party to a financial instrument fails to meet its contractual obligations and is represented by:

Cash and Cash Equivalents (Note 7)	5,029,711	4,217,965
Trade and Other Receivables (Note 8)	517,256	618,706
Investments (Note 11)	4,800,021	4,800,021
	<u><b>10,346,988</b></u>	<u><b>9,636,692</b></u>

- Cash at bank is held with financial institutions that hold high market credit ratings.
  - The Association has a specific provision to cover potential impairment of Trade and Other Receivables.
  - Investments in subsidiaries are carried at cost which in the opinion of the Committee of Management equates to their market value. The investment in Hospitality Employers Mutual Limited ("HEM") represents AHA Holdings shareholdings in HEM. The shares are held as security over the loan from EML.
- (b) **Liquidity Risk** - The loan as referred to in Note 14 has no recourse to the Association and limited recourse to AHA Holdings. The limited recourse to AHA Holdings is to AHA Holdings shares in HEM as detailed in Note 11. The loan is repayable on the 28 March 2017. In addition, the Association has short term liabilities represented by trade and other payables of \$2,711,568 (Note 12).
- (c) **Interest Rate Risk** - The Association has limited exposure to interest rate risk on its fixed and variable rate financial instruments. Term deposits have maturity dates of three months or less.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities hereby certify that the number of members of the Association at 31 December 2013 was 1,791.

In my opinion:

- (a) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2013;
- (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 - Colin Waller**

**Dated at Sydney:**





**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

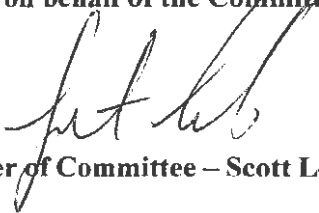
**STATEMENT OF COMMITTEE OF MANAGEMENT**

---

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

- (a) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Association and its Controlled Entities at 31 December 2013;
- (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 consolidated 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 preceding the financial year to which these consolidated 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 at Sydney:** 5<sup>th</sup> MARCH 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

---

**Report on the Financial Report**

We have audited the consolidated financial report of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities for the financial year ended 31 December 2013, consisting of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements, Certificate of the Accounting Officer and Statement of the Committee of Management.

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

The Committee of Management is responsible for the preparation and true and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Industrial Relations Act 1996 (NSW). 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 consolidated financial report to the members of the Association and its Controlled Entities 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 consolidated financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial report.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES (CONTINUED)**

---

**Independence**

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

**Audit Opinion**

In our opinion:

- (a)
  - (i) satisfactory accounting records were kept by the Association and its Controlled Entities 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 and its Controlled Entities; and
  - (ii) the accompanying consolidated financial report (including the Statement of the Committee of Management) set out on pages 1 to 20 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 Australian Accounting Standards – Reduced Disclosure Requirements, so as to give a true and fair view of:-
    - a) the state of affairs of the Association and its Controlled Entities as at 31 December 2013; and
    - b) the performance of the Association and its Controlled Entities 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.
- (b) other mandatory professional reporting requirements in Australia.

  
**V J RYAN & CO**  
Chartered Accountants

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

  
**Peter Gerard Crawford**  
Partner

**Dated at Sydney:** 5 March 2014

V.J. RYAN  
& CO  
CHARTERED ACCOUNTANTS  
A.B.N. 55 704 784 107

**COMPILATION REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

---

The additional financial data presented on pages 24 and 25 is in accordance with the books and records of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2013. 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 and its Controlled Entities) 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*

Peter Gerard Crawford  
Partner

Dated at Sydney: *5 March 2014*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>INCOME</b>		
Advertising Commissions	524,496	420,670
Dividend Received	300,789	175,695
Insurance Commission	10,871	-
Gaming Cost Recovery	106,061	238,334
Interest Income	203,102	230,121
Keno Commission	692,422	757,178
Membership Activities	2,783,391	2,566,337
Membership Subscriptions	4,238,410	4,109,244
	<u>8,859,542</u>	<u>8,497,579</u>
<b>EXPENDITURE</b>		
Accounting and Consulting Fees	37,196	23,059
Accommodation Division	264,743	243,779
Administration	2,265	2,266
Advertising and Staff Hire	225	1,456
Annual Leave	67,709	(36,417)
Annual Report	16,524	14,692
Auditor's Remuneration	48,500	33,700
Bank and Credit Card Charges	39,876	32,847
Capitation Fees	139,814	134,700
Cleaning and Laundry	51,810	44,554
Computer and Development Costs	151,205	132,676
Consultancy	69,044	139,891
Delegates	189,789	150,673
Depreciation	439,928	479,914
Donations	249,513	92,564
Movement in Provision for Doubtful Debts	3,184	(72,370)
Economic Cost	27,131	83,840
Electricity	52,074	43,623
Executive Administration	421,163	727,684
Executive and Committee of Management	96,307	159,185
Flowers and Plant Hire	7,881	8,478
Fringe Benefits Tax	24,000	24,000
Gaming Department and Research	170,479	69,920
Hotel News	340,022	277,681
Industrial and Membership	112,772	92,305
Insurance	66,150	58,434
Legal Fees	417,259	122,750
Long Service Leave	6,872	32,902

This statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>EXPENDITURE (Continued)</b>		
Loss on Disposal of Non Current Assets	6,944	2,995
Marketing	594,925	448,983
Membership	203,640	129,739
National Executive and Board Meetings	33,706	44,376
National Office Costs	198,812	112,000
Parking Levy	41,486	29,946
Payroll Preparation	3,939	3,428
Payroll Tax	130,415	110,991
President's Allowance	60,000	60,000
Printing and Stationery	11,825	9,647
Public Relations	73,246	139,446
Rates, Taxes and Strata Levies	95,508	91,069
Regional Meetings	23,119	18,058
Repairs and Maintenance	44,345	93,219
Salaries and Wages	2,704,604	2,331,194
Security	2,249	365
Sponsorship	25,494	30,080
Staff Amenities	9,034	8,017
Sub Branch Subsidies	455	-
Superannuation	241,130	216,146
Telephone	17,843	50,155
Training Department	113,459	204,464
Travel	2,710	4,021
	<u>8,152,323</u>	<u>7,257,125</u>
<b>Profit for the Year</b>	<u>707,219</u>	<u>1,240,454</u>

This statement has not been audited.



**AUSTRALIAN HOTELS ASSOCIATION  
NSW BRANCH**  
(ABN 64 243 628 807)

**OPERATING REPORT**

---

This operating report covers the results of those activities that were provided for the financial year ended 31 December 2013.

**1. Principal activities of the Branch**

- (a) The Branch operates as the New South Wales Branch of the Australian Hotels Association, an organisation of employers registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (b) The Branch works closely with the Australian Hotels Association NSW an organisation of employers registered under the Industrial Relations Act 1996 (NSW) ("the State Organisation") which is the state registered counterpart of the Branch.
- (c) The officers of the Branch are also the officers of the State Organisation pursuant to Section 239 of the Industrial Relations Act 1996 (NSW) and Rule 32A of the Rules of the State Organisation.
- (d) The principal activities of the Branch, as conducted through the Council and the Executive Committee of the Branch 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.
  - Provision of information to members providing up to date material relevant to hotels.

**2. Financial activities of the Branch**

There were no financial activities of the Branch.



**3. Details of the right of members to resign**

A member may resign in writing pursuant to Rule 10.2.1 of the Rules of the Australian Hotels Association, New South Wales Branch. This applies irrespective of whether the member obtained membership pursuant to Rule 8 or Rule 9 of the said Rules.

**4. Details of any officer or member who is a director of a superannuation entity or a director of a company that is a trustee of a superannuation entity**

N/A

**5. Number of members recorded on the register of members**

The number of members recorded on the register of members as at 31 December 2013 was 1791.

**6. Number of employees**

The Branch did not have any employees in the reporting period. By arrangement with the State Organisation employees of the State Organisation provide services to the Branch in respect of its operations and activity as required from time to time.

**7. Details of persons who were a member of the committee of management**

Scott Leach 1 January 2013 to 31 December 2013; Lynette Humphreys 1 January 2013 to 31 December 2013; Kim Maloney 1 January 2013 to 31 December 2013; Colin Waller 1 January 2013 to 31 December 2013; Colin Parras 1 January 2013 to 31 December 2013; Dan Brady 1 January 2013 to 31 December 2013; Andrew Rendall 1 January 2013 to 31 December 2013; Rolly de With 1 January 2013 to 31 December 2013; Tony McClure 1 January 2013 to 11 September 2013; George Bedwani 1 January 2013 to 13 August 2013; Phillip Webster 9 April 2013 to 31 December 2013; George Bedwani 13 August 2013 to 31 December 2013; Nigel Greenaway 13 August 2013 to 31 December 2013; Desmond Kennedy 12 November 2013 to 31 December 2013.

**SCOTT LEACH  
PRESIDENT**

**5 March 2014**



"C"

**AHA**  
**NSW**

AUSTRALIAN HOTELS  
ASSOCIATION  
NEW SOUTH WALES

SINCE 1873

# AHA NSW

ANNUAL REPORT 2013



# 2013 AHA NSW Awards For Excellence

## General Division Winners

**Best Traditional Hotel Bar**  
Sponsor: Lion  
Willoughby Hotel, Willoughby

**Best Cocktail/Lounge Bar**  
Sponsor: Schweppes  
Bella Vista Hotel, Bella Vista

**Best Boutique Bar**  
Sponsor: Coca Cola Amatil  
Palmer & Co. - Establishment, Sydney

**Best Boutique Beer Offering**  
Sponsor: Carlton & United Breweries  
Grain Store Craft Beer Cafe, Newcastle East

**Best Retail Liquor Outlet**  
Sponsor: Independent Liquor Group  
Harrigans Irish Pub & Accommodation, Pokolbin

**Best Family Friendly Hotel**  
Sponsor: HOSTPLUS  
HPH - Hotel Pennant Hills, Pennant Hills

**Best New/Redeveloped Hotel - Country**  
Sponsor: Lion  
Central Hotel, Shellharbour

**Best New/Redeveloped Hotel - City**  
Sponsor: Carlton & United Breweries  
The Morrison Bar & Oyster Room, Sydney

**Best Outdoor/Non-Enclosed Facility**  
Sponsor: British American Tobacco  
Albion Hotel, Parramatta

**Outstanding Community Service & Achievement**  
Sponsor: Aristocrat Technologies Australia  
Camden Valley Inn, Camden Park

**Best Promotional Concept**  
Sponsor: The Star  
Ivy (Pacha Sydney Launch), Sydney

**Best Social Media Activity**  
Sponsor: American Express  
The Morrison Bar & Oyster Room, Sydney

**Best Restaurant - Country**  
Sponsor: Australia Draught  
221 Restaurant & Bar, Royal Oak Hotel  
Cessnock, Cessnock

**Best Restaurant - City**  
Sponsor: Treasury Wine Estates  
Bistro Moncur - Woollahra Hotel, Woollahra

**Best Fine Dining Restaurant - Majority Of Mains \$35+**  
Sponsor: Premium Beverages  
Flooded Gums Restaurant,  
Bonville Golf Resort, Bonville

**Best Fine Dining Restaurant - Majority Of Mains \$35+**  
Sponsor: Premium Beverages  
Establishment- Est., Sydney

**Best Casual Dining Venue - Country / Northern**  
Sponsor: Ray White Hotels Australia  
Town Green Inn, Port Macquarie

**Best Casual Dining Venue - Country / Southern**  
Sponsor: Ray White Hotels Australia  
Central Hotel, Shellharbour

**Best Casual Dining Venue - Country / Western**  
Sponsor: Ray White Hotels Australia  
The Kings Hotel - The Kings Table, Bathurst

**Best Casual Dining Venue - City / Eastern**  
Sponsor: Go Energy - An Urban Group Energy  
Company  
Clovelly Hotel, Clovelly

**Best Casual Dining Venue - City / Northern**  
Sponsor: Go Energy - An Urban Group Energy  
Company  
Willoughby Hotel, Willoughby

**Best Casual Dining Venue - City / Southern**  
Sponsor: Go Energy - An Urban Group Energy  
Company  
Miranda Hotel, Miranda

**Best Casual Dining Venue - City / Western**  
Sponsor: Go Energy - An Urban Group Energy  
Company  
Quakers Inn, Quakers Hill

**Best Steak Venue**  
Sponsor: Top Cut Industries  
Willow Tree Inn, Willow Tree

**Best Entertainment Venue**  
Sponsor: APRA  
Cargo Bar, Sydney

**Best Sports Bar**  
Sponsor: Fox Sports & Foxtel for Business  
Coogee Bay Hotel, Coogee

**Best Gaming Venue**  
Sponsor: Aristocrat Technologies Australia  
Eastwood Hotel, Eastwood

**Best Keno Venue**  
Sponsor: Keno  
The Fairfield Hotel, Fairfield

**Best Pub Tab - Country**  
Sponsor: Tabcorp  
Potters Hotel Brewery, Hunter Valley

**Best Pub Tab - City**  
Sponsor: Tabcorp  
Quakers Inn, Quakers Hill

**Best Pub-Style Accommodation**  
Sponsor: IGT  
Crossroads Hotel, Narrabri

**Cocktail Bartender of the year**  
Sponsor: Diageo  
Matt Fitzgerald - Palmer & Co., Sydney

**Chef of the Year**  
Sponsor: HOSTPLUS  
Nathan Johnson - Ivy- Felix, Sydney

**Hall of Fame**  
Sponsor: IGT  
John & Justin Hemmes

**Individual Property Operator Of The Year**  
Sponsor: Hotel Employers Mutual  
Graham Campion - Longueville Hotel,  
Lanecove

**Group Operator Of The Year**  
Sponsor: Lawler Hospitality  
Merivale, Sydney

**Overall Hotel Of The Year - Country**  
Sponsor: St George  
Central Hotel, Shellharbour

**Overall Hotel Of The Year - City**  
Sponsor: St George  
Clovelly Hotel, Clovelly



Hall of Fame - John & Justin Hemmes



# Annual Report 2013

## Contents

- 2 From the President of AHA NSW
- 4 Tourism Accommodation Australia NSW
- 6 Accommodation Division 2013 Winners
- 7 From the Secretary Treasurer
- 8 From the Chief Executive Officer
- 10 Policing, Regulations & Membership
- 12 Legal & Industrial Affairs
- 14 AHA NSW GameCare
- 15 Media/Communications
- 16 Marketing & Sponsorships
- 17 Financial Report for the year ended  
31 December 2013



AUSTRALIAN HOTELS  
ASSOCIATION  
NEW SOUTH WALES

## AHA NSW State Council 2013

### Metropolitan:

Arthur Laundry (Bankstown); Danielle Maree Hilton (Blacktown & District); Robert Bourne (Central Coast); John Franks (City Central); Kim Maloney (City Central); Jenny Farrell (East Central); Carolyn Kelly (East Central); Robert Ellis Lees (Eastern Suburbs); Peter Tate (Eastern Suburbs); Phillip Webster (Fairfield – Liverpool); William Gregory Bliss Ryan (Leichhardt – Glebe); Paul McGirr (Leichhardt – Glebe); John Thorpe (Manly – Warringah); Colin Parras (Near West & Blue Mtns); Glendon John Stanford (Near West & Blue Mtns); Craig Allan Coote (Newtown); Scott Leach (Newtown); Peter Calligeros (North Sydney); Dan Brady (Northern Suburbs); Ross Colosimo (Parramatta); Brett Neilson (South Sydney); David John Coppleson (South Sydney); Lynette Humphreys (St George/Sutherland); Patrick Gallagher (Western Suburbs)

### Country:

Daniel William Burke (Albury & District); Dean Trengove (Barrier); Tony McClure (Canobolas); Erik Valdis Ozols (Castlereagh/Barwon); Andrew Rendall (Chifley); Gordon Leslie Masters (Clarence River); Richard Thomas Gooley (Far North Coast); David Creary (Far South Coast); Scott Preston (Goulburn & District); Gary John Rollings (Hastings/Manning); Michael Thomas Dennis (Illawarra); James Robert Clyburn (Lachlan); Thomas A Porter (Macarthur/Stn Highlands); Donna Phillips (Mid North Coast); Des Kennedy (Mudgee); Peter John Pretschner (Murray); Anthony James Durham (New England); Gabrielle Mary McCabe (Newcastle); Peter Hunt (Newcastle); Rolly De With (Newcastle); Joanne Blair (Orana); Lachlan Ford (Outback); Rod McDonald (Riverina); Peter Robert Harris (Snowy Mtns); Colin Waller (South Coast); Bradley George Shields (South West Slopes); Robert Broomham (Tamworth & District); Greg Smith (Upper Hunter Valley); John McRedmond (Wagga & District); David Scott Barnhill (Wagga & District)

### Accommodation:

George Bedwani, Nigel Greenaway

- |   |   |   |
|---|---|---|
| ▶ President<br>Scott Leach  | ▶ Secretary/Treasurer<br>Colin Waller         | ▶ Country Representative<br>Rolly de With                     |
| ▶ Senior Vice-President<br>General Division<br>Lyn Humphreys        | ▶ Metropolitan Representative<br>Dan Brady    | ▶ Country Representative<br>Cr. Des Kennedy                   |
| ▶ Senior Vice-President<br>Accommodation Division<br>George Bedwani | ▶ Metropolitan Representative<br>Colin Parras | ▶ Country Representative<br>Andrew Rendall                    |
| ▶ Vice-President<br>Kim Maloney                                     | ▶ Metropolitan Representative<br>Phil Webster | ▶ Accommodation Division<br>Representative<br>Nigel Greenaway |



# The year in review

Scott Leach – President



For generations now our Association has had a proud tradition of strong, evidence-based engagement in public policy debate across all levels of government. Whilst our contribution can be ridiculed by critics, questioned by academics and scrutinised by media, it is important that our voice plays its part in complex social and economic debates.

Your continued support of our Association over the past year has resourced our administration during two enormously difficult public policy discussions. Both of these debates have been thrust upon us by circumstance and opportunity rather than a considered approach to facts and evidence. Now more than ever, your Association needs you to be part of the process of community engagement as the public seek simple solutions to often extremely complex problems.

As I write, NSW faces the introduction of new liquor laws which fundamentally change the future of this industry, and will - without amendment - cause enormous hardship to many hotels without preventing the crime on our streets which has instigated this very debate.

Our Association shares the same goals as our Premier, and nobody denies the enormous pain and anguish from recent 'coward punch' deaths in Sydney. No self-respecting citizen can feel anything but great sorrow for the family, friends and loved ones of those victims. And yes, the industry is only too well aware of the potential harm that alcohol can cause if consumed irresponsibly or mixed with other substances.

Yet in our quest for cultural change within our community, we differ in the way we should approach the problem. By way of analogy, I don't believe you solve the problem of shoplifting by closing down the store. In my view, by closing the store you punish the overwhelming majority for the sins of a few individuals who have

committed crimes. I propose working on systems to prevent crime, education of perpetrators and industry funding to pay for those measures.

In the moral crisis generated by the tragic deaths in Sydney, our NSW Parliament sought an emotional and political response to public policy and abandoned the evidence. With crime at a statistical all time low, and measures already introduced driving violence to even further lows, the industry found itself being blamed for incidents that had no connection to our operations or serving practices.

Not one single measure announced would have saved the victims or prevented these crimes. Yet the media and community have backed the punishment of industry at the expense of well thought-out public policy. Your Association will be respectful of Parliament, the media and voice of many in the community - but will maintain a campaign against many of these measures in coming days, months and years. Only time will determine the cost, the effectiveness and appropriateness of these measures, and the Association will remain active to expose the truth and facts behind these policies.

The determination of your Association is not to be under-estimated.

During the past two years we have waged a campaign of evidence-based research against the untested and un-trialled system of big brother style pre-commitment tracking of individuals who enjoy the amenity of gaming machines.



L-R: AHA NSW President Scott Leach, the Hon. Tony Abbott MHR and Andrew Rendall.

Federal Parliament, now clear from the obstruction of ideologically-driven independents, can now take a second look at the facts around problem gambling and ensure public policy settings are evaluated on evidence. In that environment I am optimistic the facts will overcome the rhetoric and the fear promoted by a few. Without the commitment of this Association, and a willingness to stay the course in a complex political debate by the NSW council members, no such opportunity would exist to revisit the legislation.

There is great reward in persistence, passion and the quest and belief for better community, a community in which all our services are consumed and promoted responsibly. There will always be challenges and the Association will never shirk from the responsibility of representing the interests of members. To that end I sincerely thank the Chief Executive Officer and entire AHA team for their efforts in a difficult year; with a special mention to my Executive Assistant Jessica Hannaford for her professionalism and patience.

As for the constant advice, guidance and encouragement of our members, I thank you all for your support of the Executive team. To our hard working Executive I congratulate you all on your commitment and efforts throughout a demanding time. To my wife Clare, business partner and mother Elissa, I remain grateful to both of you for your understanding of my passion for this Association and the great privilege it is to serve as President.



*L-R: Scott Leach, Justin Hemmes and the Hon. George Souris MP.*



*L-R: Paul Hilder from St George, AHA NSW President Scott Leach and St George Bank's Chief Economist, Hans Kunnen.*



# Double membership and increased our regional footprint

Nigel Greenaway – Chairman TAA NSW



2013 was a year of significant performance improvement in Sydney and Greater Sydney while key regional areas underperformed year on year. Sydney City hotels recorded annual RevPAR growth of 5.5% to \$181.90 in 2013, with Greater Sydney hotels recording annual RevPAR growth of 2.8% in 2013 to \$125.80.

In both regions this growth was driven by performance in the second half of the year where there were strong RevPAR increases of 9.4% in Sydney City and 6.6% in Greater Sydney.

This solid result is a testament to the considerable investment by the NSW government in events, with the months of July, October and November demonstrating the highest growth as a result of securing the *British and Irish Lions Tour*, *Manchester United versus the A League All Stars*, *The Bledisloe Cup*, two State of Origin rugby league games as well as *Vivid*, the *Fleet Review*, *One Direction* and a myriad of other cultural and sporting events.

The result is also a factor of the benign supply increases over the past five years, with growth averaging 0.5% per annum. While investor sentiment is strong on the back of improved performance, the significant costs associated with accommodation hotel construction together with the relatively poor rate growth in Sydney and the comparatively higher returns on other property classes have tempered hotel supply increases. In the past year, three new Sydney hotels were completed in the city area – *1888 Hotel* in Pyrmont (90 rooms), *Zara Towers* (38 rooms) and the *Adge Boutique Apartment Hotel* in Surrey Hills (12 rooms). During the same period, two new establishments were built in Greater Sydney, comprising around 430 rooms – *Rydges Hotel* at Sydney International Airport and the *Adina Apartment Hotel* in Bondi.

In both Sydney and Greater Sydney there are now several planned hotel projects underway that are expected to be completed over the next three years and there has been a significant and ongoing investment in refurbishments. This investment is an indication of increasing confidence in the Sydney market, driven by increased government investment in events and tourism infrastructure. However this action from government needs to be sustained over the long term with a continued focus on transport infrastructure and Sydney Airport investment.

Regional tourism remains a concerning story with a number of regional areas underperforming. As a result there has been minimal investment in product, with the notable exception of the *Fairmont Resort* in the Blue Mountains. Our advocacy in regional areas in 2013 was focused around issues of business events demand and labour shortages, which will continue to be a priority in 2014.

## ► TAA NSW continues to evolve

Our focus over the past three years has been to increase our relevance to members through improving the quality of the services we offer, introducing new benefits and increasing our advocacy on behalf of the industry. As a result we have more than doubled membership in NSW and importantly increased our regional footprint.

## ► NSW Board Activities

On the 21 March 2013 the TAA NSW Annual General Meeting was held. At that time a number of current board members inclusive of the chair, Peter Tudehope, Radisson Blu, stepped down. Board members voted in at the AGM were Nigel Greenaway, Eureka Funds Management (Chair); Gus Moors, TAAHL; Craig Bond, Parkroyal Darling Harbour; George Bedwani, Metro Group; John McIlwain, Rydges World Square, Philip Pratley, The Grace; Sonia Lefevre, The Langham; Brian McHenry, Riverside Oaks and David Bark, Crowne Plaza Hunter Valley.

During the year the Board had a continuing focus on product development and strengthening the voice of accommodation. The latter through encouraging an investment in evidence based research and ensuring the continued independence of TAA NSW submissions to government.

In terms of advocacy, the Board was instrumental in encouraging a greater focus on regional issues and on labour issues for the industry.

## ► Engagement with Government and Stakeholders

2013 was the first year of implementation of the Visitor Economy Taskforce report, which will be instrumental in driving the State Government's agenda for the period to 2020.

During this period TAA NSW worked on the many issues affecting the tourism accommodation industry.

We continued our lobbying work on Supply in Sydney following the report we commissioned in 2012. TAA NSW was appointed to the City of Sydney Visitor Accommodation Reference Group to represent the industry on supply issues and has been successful in our continuing advocacy for sustainable demand-led supply in the Sydney CBD. TAA NSW is now working with Trade Investment on the Greater Sydney supply plan.

In February 2013, TAA NSW commissioned a report on the economic importance of Regional NSW Business Events, engaging with the NSW Government and key industry stakeholders. We have advocated for a dedicated regional business events unit within Business Events Sydney, recommending that industry match government funding in the creation of the unit and industry representatives sit on the Advisory Board. While the development of a Regional Business Events Plan is still underway, TAA NSW has received government support in principle, for the proposal.

In addition TAA NSW has regularly briefed the NSW Government and other parties on issues affecting hotels, successfully adding our voice to the light rail for Sydney debate and strongly advocating on transport issues inclusive of the removal of the station access fee, reducing congestion around Sydney Airport and the City Centre Access Plan.

We have also worked very closely with the City of Sydney, with representation on the Retail Advisory Panel and inclusion in forums. TAA NSW was invited to launch the City of Sydney Tourism Action Plan in September and has strongly supported the revitalisation of city precincts and the George Street transformation on behalf of our members. As a result of our advocacy, the City of Sydney last year agreed to provide subvention funding of \$500,000 per annum to Business Events Sydney over 3 years commencing 2013/2014.

We have extensively lobbied on productivity issues. On a national level AHA/TAA participates on the Labour Skills Working Group, the Tourism Visa Working Group and the ACCI WHS Working Group. At a state level, TAA NSW is Deputy Chair of the Sydney Tourism Employment Plan identifying solutions for labour skills shortages in Sydney metropolitan region. We have also contributed to the Smart Skilled review and provided submissions to the Labour Shortages in Regional NSW Parliamentary Inquiry.



## ► Events and Forums

During the year, there was the opportunity for members to attend briefings and meetings with many of the key leaders of the tourism industry in New South Wales. This included boardroom lunches, planning forums, workshops and a regular program of seminars on issues as varied as energy savings, market and hotel outlook and the international convention centre.

Monthly Boardroom Lunches were held with presenters such as the Minister for Tourism, Minister for Transport, Chief Executive Officers of DNSW, Carnival Cruises, City of Sydney and Sydney Airport. Quarterly general manager meetings continued to provide a platform for general managers to discuss industry issues and hear from key stakeholders.

In 2013 TAA NSW continued its Platinum Sponsorship of Hotel World's, the leading hotel conference for Asia Pacific Investors and Operators. The TAA NSW's Awards for Excellence 2013 were timed to coincide with the conference. The Awards attracted close to 600 attendees to an impressive dinner and presentation at the Westin, attended by the Premier, the Hon. Barry O'Farrell MP and the Minister for Tourism and the Arts, the Hon. George Souris MP and many other key tourism CEO's and leaders in NSW.

## ► Member Services

The association launched a number of new initiatives in 2013. We introduced a labour benchmarking survey, highlighting key labour trends in the accommodation industry. This survey complements the existing salary survey, which is in its 12th year and is used to benchmark wages within the industry. TAA National continued to invest in the TIIS Program. This program is free of charge and exclusive to TAA members and provides a library of resources, research material and reports relevant to the hotel industry that will deliver a competitive edge on market intelligence.

TAA NSW expanded its monthly research report for the Sydney and Greater Sydney market. The report, now in its third year covers the demand and supply picture and the economic factors that impact on Occupancies, ADR and RevPAR for each month.

Our highly regarded legal services team continued to provide quality and cost effective representation for members. In addition to the current services it offers, the team introduced the inaugural Legal and Industrial Conference for members in August and expanded their range of webinars for regional members.

Delivering education product that complements current offerings continues to be a key priority. In 2013 we launched the internationally recognised online Certified Hotel Administrator (CHA) Program in partnership with the American Hotel & Lodging Educational Institute (EI). In partnership with Tourism Training Australia we secured agreement with Cornell to conduct their Senior Executive Development and Food and Beverage Executive Development programs in Australia, for the first time in 25 years.

And finally we continued to inform and engage members through regular news and industry updates.

## ► In conclusion

The program for TAA NSW will continue to strengthen in the next year under the dedicated Tourism Accommodation Australia banner with further initiatives being planned and a stronger lobbying presence for the accommodation sector. The Board of TAA NSW is committed to ensuring that the association assists members in their goals to improve productivity and performance throughout 2014 and beyond.

We thank our members for their ongoing support and are confident that with the increasing focus and commitment on product development and advocacy evidenced by the association, we will see membership continue to grow.



L-R: Carol Giuseppe and Nigel Greenaway from TAA NSW with State Treasurer the Hon. Mike Baird MP, Charles Casuscelli RFD, MP and Kate Gerits, area General Manager Central Sydney IHG.



# AHA NSW Accommodation Awards For Excellence 2013



Congratulations to all the finalists and winners at the AHA NSW Accommodation Awards For Excellence held on 24th July 2013 at The Westin, Sydney

Outstanding Achievement in Training <i>Sofitel Sydney Wentworth</i>	Public Relations, Sales & Marketing Employee of the Year <i>Radisson Blu Hotel Sydney</i> <i>David Bayly</i>	Metropolitan Brasserie/Cafe of the Year <i>Sheraton on the Park</i> <i>Feast - a world of flavours</i>
Outstanding Community Service and Achievement <i>The Sydney Boulevard Hotel</i>	Human Resources Employee of the Year <i>Sydney Harbour Marriott Hotel</i> <i>Fiona Pereira</i>	Bar of the Year <i>Four Seasons Hotel Sydney</i> <i>Grain</i>
Best Environmental Practices <i>Novotel Sydney Olympic Park</i>	Front of House Employee of the Year <i>Fairmont Resort MGallery (Winner)</i> <i>Andrea Donaghy</i>	Health Club & Spa Facilities of the Year <i>The Langham Sydney</i> <i>The Day Spa</i>
Workplace Health & Safety Hotel of the Year <i>InterContinental Sydney</i>	<i>Radisson Blu Hotel Sydney</i> (Commendation) <i>Wayne Arthur</i>	Redeveloped Accommodation Hotel of the Year <i>PARKROYAL Darling Harbour</i>
Function Venue of the Year <i>Hilton Sydney</i>	Employee Excellence in Service <i>Sydney Harbour Marriott Hotel</i> (Winners) <i>Maria Macri-Nosari</i>	Sydney Standard Hotel Accommodation of the Year <i>Holiday Inn Sydney Airport</i>
Conference Hotel of the Year <i>Rydges World Square</i>	<i>Four Seasons Hotel Sydney</i> (Commendation) <i>Jane Larucci</i>	Regional Standard Hotel Accommodation of the Year <i>Rydges Port Macquarie</i>
Engineer of the Year <i>InterContinental Sydney (Winner)</i> <i>Andy Goonesekera</i>	Concierge of the Year <i>InterContinental Sydney</i> <i>David Patt</i>	Sydney Superior Hotel Accommodation of the Year <i>Four Points By Sheraton Sydney</i> <i>Darling Harbour</i>
<i>Sydney Harbour Marriott Hotel</i> (Commendation) <i>Cyrus Tolentino</i>	Housekeeper of the Year <i>Crowne Plaza Hunter Valley</i> <i>Shirley Delaberbis</i>	Regional Superior Hotel Accommodation of the Year <i>Fairmont Resort MGallery</i>
Apprentice/Trainee Employee of the Year <i>Mercure Resort Hunter Valley Gardens</i> <i>Gabrielle Fitzsimmons</i>	Chef of the Year <i>Shangri-La Hotel Sydney (Winner)</i> <i>Bo Ip Sorense</i>	Sydney Deluxe Hotel Accommodation of the Year <i>Park Hyatt Sydney</i>
Finance Officer of the Year <i>Crowne Plaza Norwest (Winner)</i> <i>Nilesh Kumar</i>	<i>InterContinental Sydney</i> (Commendation) <i>Tamas Pamer</i>	Regional Deluxe Hotel Accommodation of the Year <i>Lilianfels Resort &amp; Spa</i>
<i>Rydges World Square (Commendation)</i> <i>Christopher Bryan</i>	Hotel Industry Rising Star <i>Park Hyatt Sydney</i> <i>Timothy Hunt</i>	Hall of Fame <i>Outstanding Achievement in Training</i> <i>Hilton Sydney</i>
Revenue/Yield Manager of the Year <i>Hilton Sydney</i> <i>Riccardo Paoella</i>	Regional Restaurant of the Year <i>Lilianfels Resort &amp; Spa</i> <i>Darleys Restaurant</i>	Workplace Health & Safety Hotel of the Year <i>Sheraton on the Park</i>
Food & Beverage Employee of the Year <i>Sydney Harbour Marriott Hotel</i> <i>Catalina Rueda</i>	Metropolitan Restaurant of the Year <i>Shangri-La Hotel Sydney</i> <i>Altitude Restaurant</i>	
Meeting & Events Employee of the Year <i>Sofitel Sydney Wentworth</i> <i>Sally Simmonds</i>		



# The Bottom Line

Colin Waller – Secretary/Treasurer



Our Financial Accounts indicate that the Association has continued to achieve a profit of \$707,000 (after depreciation of \$439,928) for the year ended 31 December 2013. Consequently, the total Members Equity increased from \$12.48m to \$13.19m.

The Association continues to explore the options available in relation to its major investment – the 15th and 16th floors of Hudson House, Macquarie St Sydney. A DA has recently been lodged for a residential conversion and there is a potential upwards revaluation of the Association's assets.

In 2013, your Association has undergone major governance and compliance assessments in line with the new WHS and Corporate Governance regulations. All members must salute those who give their time as delegates/officers of the Association in taking on the governance risk whilst only receiving honorariums or out of pocket expenses.

The Association is in a strong position to defend the many regulatory impositions being based on our industry without embrace. These regulations have had many unintended consequences; from the mum and dad pubs in the far west of our state to the city's entertainment and tourist precincts.

The bottom line for our community in all this regulation is: Where do you want your son or daughter to socialise or drink? In the safe environs of a hotel where there is responsible service, CCTV footage, security and transport services, food/bistro availability. Where they are with hoteliers who do not encourage any sort of violence on or near our premises as it is a negative in customer patronage and revenue. Or do you want them to drink in an unsupervised home or public place beach party where drugs are freely available and no responsibility is the norm.

In the Shoalhaven (the 4th largest Policing Area Command in the state) domestic alcohol-related violence has now risen to 82% whilst on-premise violence at pubs and clubs is now below 17%. Pubs and clubs now only represent approximately 22% of all alcohol sales in NSW

As a coalface operator we all know the real elephant in the room is the use of drugs and their ready availability and 'bang for buck' for young people.

The Government must recognise many premises are being wrongly penalised or given a strike for an assumed alcohol-related crime when drugs have been the major issue. It is interesting to note in a recent article during a police operation in the *Daily Telegraph* 9 out of 29 (over 1/3) of persons stet. in Gundagai returned positive tests to drugs.

It is time that the investors and entrepreneurs in the capital market supporting our Industry are not penalised and devalued by the Three Strike legislation unless drug-testing on any alleged offender has been undertaken. When people are tested for DUI and drugs there is a 40 times higher incidence for drug usage.

The bottom line - Pubs are five times safer and more sociable than the home.

I would like to thank Executive Board members, delegates, CEO and our financial staff members headed by Prabhu and Michelle for their support during 2013.





# A demanding and challenging year

Paul Nicolaou - Chief Executive Officer



There is no doubt 2013 will, for our industry, go down in history as a pivotal year. The reason, of course, are the Government restrictions brought-in to combat anti-social behaviour in the Sydney CBD Precinct including 1.30am lockouts, 3.00am last drinks and no takeaway sales after 10.00pm.

They were introduced by NSW Premier Barry O'Farrell as part of his response to combat violence on our streets. Those measures will be carefully scrutinised over coming months and be the subject of next year's Annual Report. Suffice to say here that during 2013, in addition to the measures affecting our industry, regulators finally accepted that unwanted behaviour occurred not just in licensed premises but out on the streets and that 'pre-loading' and an increasing reliance on drugs and steroids - were very much part of the mix.

There was also finally an acknowledgement in some sectors that a visible police presence on the streets, tougher penalties and better transport options were required as part of any solution.

There were many highlights and achievements during the past year - which showed our Association as one willing to address community concerns and move with the times. We demonstrated we are able to provide what the NSW public demands - well managed, safe, comfortable and affordable local hospitality venues.

Hard work by venues is seeing assaults in and around licensed premises at record lows.

Liquor Accords are stronger than ever before.

The worth and effectiveness of local accords was no more obvious in 2013 than in Byron Bay where local members voluntarily implemented a number of locally-developed solutions to address the growing concerns of residents and visitors in that beautiful north coast town.

Notwithstanding practical and effective local and state-wide initiatives, the vocal but minority-based anti-alcohol lobby continued its attack on all facets of the liquor industry during 2013, unashamedly relying on questionable data and on generous government financial grants.

If the efforts of these zealots were to be more sensibly re-directed and combined with the force of governments and industry to engender a sense of 'personal responsibility', we would very quickly notice a marked improvement in our society.

Another of society's ills is evident when we see armed hold-ups on our premises. In response, AHA NSW worked closely with the NSW Police Force, the NSW WorkCover Authority and ClubsNSW to produce the 'Armed Robbery Prevention Guide', a 16-page booklet containing strategies to better safeguard premises and to mitigate against robbery in 2013.

The *Good Pub Food Guide* also generated considerable interest. Through that publication, customers were attracted to the tasty, inventive and reasonably priced food offerings dished-up by our NSW pubs which together serve almost 2.5 million meals each and every week.

The NSW Government's Statutory Review of the Liquor Act was undertaken during the year and AHA NSW lodged a detailed submission which focussed on freeing-up red-tape and strengthening various legislative provisions. The Government's response is due in March 2014 and rest assured AHA NSW will be vitally involved in the work which will be required to implement various anticipated changes.

Change of course, comes in various forms. Sometimes it is easily swallowed - such as when industry welcomed the relief provided by the NSW Treasurer when he announced a raising of the Payroll Tax threshold and a rebate increase for small businesses who gave jobs to those previously unemployed.

Another welcome change in 2013 was the election of a Federal Liberal-National Coalition and a promise to reduce the red-tape and over-regulation which have plagued small business and our industry for many years.



A donation from the Coogee Bay Hotel's, Chris Cheung and Kylie Wheeler-Brown to Adam Check from the Sydney Children's Hospital.

Also at the Federal level, we were buoyed that the Abbott Government identified the crippling impact of penalty rates on so many businesses and we are encourage that the issue appears to fall generally within the scope of the Productivity Commission Inquiry. In today's 24/7 environment, the small businesses which prosper and contribute to local communities are those which can offer flexibility in employment conditions, rather than be shackled by the constraints of a long-outdated system.

We were also pleased that sense prevailed - and businesses were relieved of considerable unnecessary expense - when the NSW Government accepted our reasoning and decided against pursuing 24/7 scanning of patrons in the Kings Cross Entertainment Precinct, favouring instead a linked system which, when installed, will operate mostly during hours of high demand.

This is just one example of how AHA NSW brings practical solutions to the table when we are given an opportunity to work closely with government agencies and where policy can then be subjected to the 'pub test' before theory is brought into play.

On a personal note, in 2013 I was delighted to be one of a number of CEOs who spent a bitterly cold winter's night sleeping under the stars. I managed to raise \$92,000 in support of the work by the St Vincent de Paul Society for the 100,000 Australians who sleep on the streets each night. I am most appreciative of the support of AHA NSW members who sponsored me during this very worthwhile campaign.

I am also impressed and thankful for the selfless and tangible contributions made by so many publicans during another year when bush fires and drought ravaged our state. Not to mention the fund-raising efforts of local AHA NSW Sub-Branches, and the numerous charitable donations, including those made by the Sydney and Wollongong 'Hotels Have Hearts' groups.

A great joy for me and for AHA NSW senior staff each year is the opportunity to visit regional centres and country towns and meet with our members, to discuss and resolve issues at first-hand and to witness the vast investments and ever-changing improvements which are made by the families who tirelessly own and run our local pubs.

The wonderful standard of the NSW pub scene is no more evident than when we stage our annual Awards For Excellence Night and proudly recognise the 'Best of the Best'.

On an equally personal note, and like many other CEOs and those of our members who dedicate almost every waking moment to their jobs, I cannot conclude this review without thanking my wife and my children for understanding that the only way to achieve results is by working long hours which inevitably intrudes into family life.

In addition, I would like to thank our President Scott Leach for his support, leadership and ongoing encouragement. Together with Scott, the Executive, Council, AHA staff, members and sponsors we remain one of Australia's leading industry based associations.

Finally, I also thank the AHA NSW team who toil diligently and often behind the scenes with the interests of our members at the forefront of all they do. The challenges of this past year have made it clear to me that the office team needs some restructuring, with an emphasis on realigning responsibilities and multi-skilling, so we can even better serve our members needs and I, with the assistance and encouragement of the President and the AHA NSW State Executive, intend to bring about an even greater focus on membership service in 2014.



L-R: Dan O'Hara, Phil Webster, Andy Hannelly, Kim Maloney, Michael Dennis, Andrew Rendall, Kylee Dennis, Lyn Humphreys, Rolly de With, Scott Leach, Dan Brady, Colin Waller and Colin Parras.



# Another year of over-regulation

John Green - Director, Policing & Regulations;  
Director, Membership



Lowest assault levels in 15 years doesn't prevent continued over-regulation of licensed premises. Against a statistical reality that assaults in and around licensed premises continue to fall to a 15 year low, in 2013, the regulatory burden on members that was the focus in the 2012 annual report continued throughout the year.

Culminating in the Premier of NSW announcing the creation of a new Sydney CBD Precinct in which hoteliers will have to comply with a lockdown from 1.30am, and from 3.00am will have to cease the sale and supply of alcohol whilst being able to remain open.

The catalyst for these measures and further restrictions contained within a Plan of Management that will be released in April 2014 was a series of one punch assaults - all of which occurred on public streets in the CBD (George Street and Kings Cross) and many of which occurred far earlier in the evening than when the lockdowns have been imposed. The only one of these that occurred near a licensed premise was when a security officer refused entry to a group of intoxicated people, only to have one launch from four metres away to hit him to the back of his head. The restrictions imposed were the result of a concerted and ill-informed campaign that ignored the facts regarding the failure of lockdowns in other places they had been implemented including Fortitude Valley in Qld, the Melbourne CBD and in Newcastle, where the experts agreed that the lockdown was not the key ingredient in reducing incidents.

The impact of these measures are still to be felt at the time of compiling the annual report, however we need only look to Newcastle to see what impact the stringent laws imposed had there, and the fear of insolvency experts is that Sydney will be harder hit because patrons can walk across the road, or a bridge to enter a venue without the restrictions. In Newcastle, the once 14 late trading hotels are now only four, hospitality employment after two years had dropped almost 22% (almost one in four unemployed, or had their hours cut), the value of the hotels at that time had reduced by almost \$25 million and the much vaunted Newcastle live music industry was destroyed. What caused the reduction in assaults in Newcastle was reducing the number of people that went to their CBD on a Friday or Saturday night from 15,000 to less than 2,000 - it did not improve behaviour. The people simply went elsewhere, and so did the assault statistics. In fact, two years after the measures were imposed, assaults rose again by 21.7% and it was at that time the remaining late trading venues started barring problem patrons using ID scanning, which led to further reductions.

For all the financial hardship these measures caused, the reality is that over the last five years the results achieved in Newcastle are a lesser reduction in assaults than in places such as The Hills, Central Coast or Wollongong where locally developed voluntary measures that didn't lock out, or shut down entire precincts were implemented.

In 2013, various liquor accords throughout the State did introduce voluntary measures to address antisocial behaviour including Orange, Byron Bay and Tamworth. These measures were developed in collaboration with stakeholders including police, council and licensees and relate to the local issues impacting upon their communities.

## ▶ Armed Robbery Resource developed

Over the last decade, the incidence of armed robberies has been on the decline in the majority of business types - banks, post offices and "cash-in-transit" operations. One area that had remained stagnant was licensed premises - hotels, clubs and bottle-shops. The reasons for this are many and include their hours of operation, the location (many being near main roads) the multiple entry and

exit points and the consideration amongst some offenders that hotels and other similar businesses are "honey pots". The trauma associated with being the victim of an armed robbery is significant, with some staff taking long periods to return to work, and some never returning which makes it also an issue in relation to workers compensation, as much as the importance of the health of staff.

In response to this issue, AHA NSW joined with NSW Police Force, Clubs NSW, Workcover and Hotel Employers Mutual to develop "Armed Robbery Prevention for Clubs and Hotels", a kit comprising a 16 page pamphlet, back of house posters and height markers. The material provides essential information for licensees and their staff on what to do before, during and after an armed robbery to reduce the risk of injury, or worse. The kits were delivered by hand to every hotel licensee across NSW during the October-December period, and has been placed on line in the Member area of the AHA NSW website.

## ▶ Membership

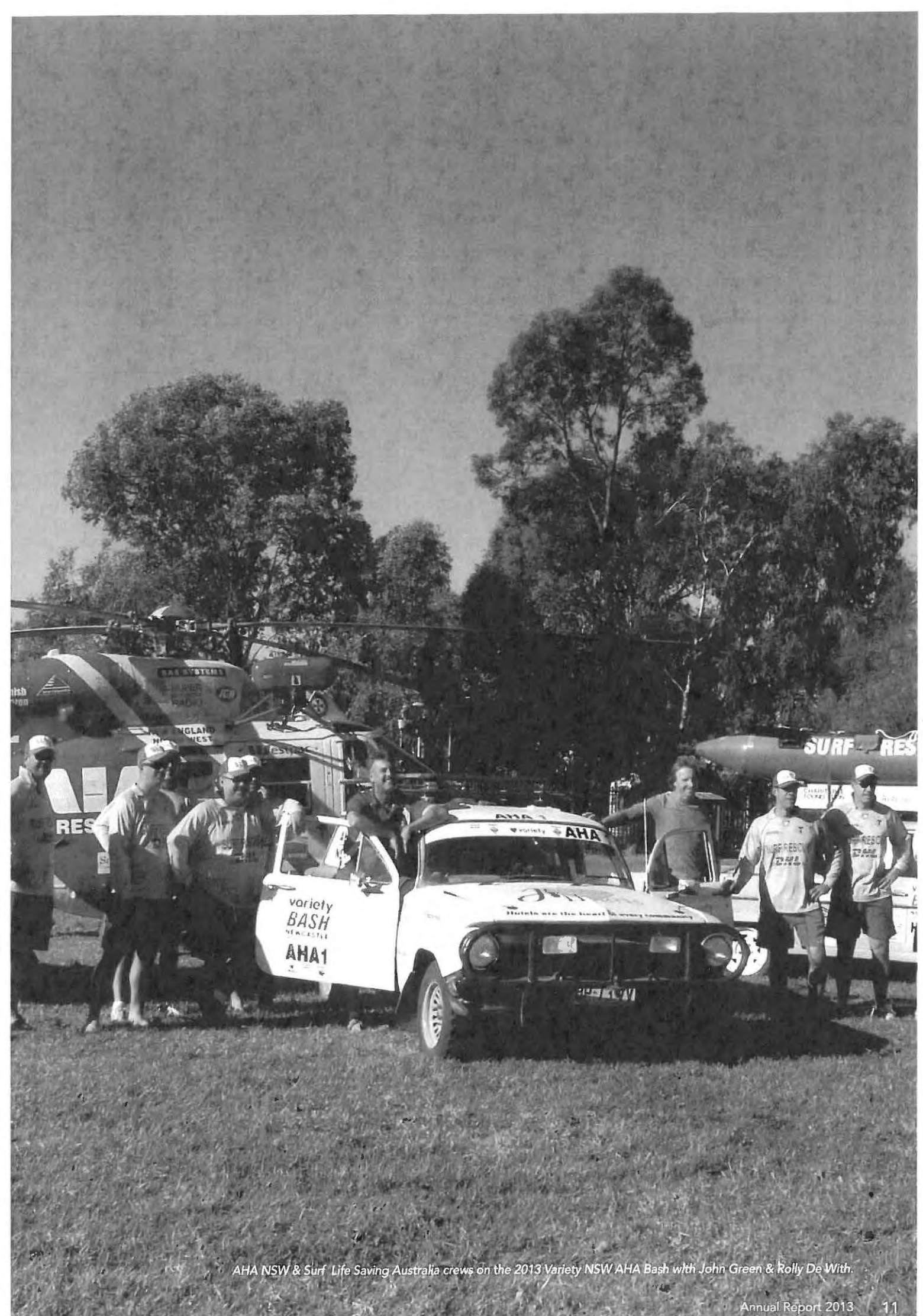
The General Division of AHA NSW remains in a strong position, maintaining membership numbers despite a retraction in the number of hotels trading across NSW. In April, the Membership team welcomed Kate Henderson as an addition to the team. Kate's role is to encourage increased membership in Hotel Employers Mutual in both the AHA NSW and Tourism Accommodation Australia (TAA), the Associations accommodation division.

In our second year of naming rights sponsorship, the Variety NSW AHA Bash left the city of Newcastle in May 2013, before travelling to Dubbo, Bourke, Armidale, Port Macquarie and Muswellbrook and then heading back into Newcastle. Each day, member hotels were the venue of choice for the bashers for the Pub Bash Olympics mid afternoon, or dinner and a few ales in the evening. The key aspect of the Newcastle based Bash is that it remains in NSW and supports small schools, communities and children in regional NSW. In 2013, the event raised over \$750,000 for children with special needs across NSW. In 2014, the bash travels south to Merimbula, west to Wagga Wagga and up to Parkes and it is hoped to again surpass the fundraising total.

Across NSW, hoteliers either individually, as a sub branch, part of a local liquor accord or under the AHA NSW state banner constantly raise money for charities or for people in need due to disaster and other causes. In 2013, examples include charity golf days in many locations, the Illawarra Hotel Have Hearts charity dinner and the provision of food and shelter during the October bush fires.

Sub branch meetings organised by delegates, Member Liaison Officers and local sub branch officials were conducted in accordance with the rules of the Association across NSW, with a common theme in some districts being how to attract members to these events. The reasons for this are many, including the information being disseminated from AHA NSW electronically, the difficulty getting managers to look after hotels and the many other tasks a licensee has to attend to. Combining sub branch meetings, attaching the meeting to other events including golf days, race days, lunches, dinners or liquor accord meetings are all strategies that will be explored during 2014 to ensure members have access to the latest information on what's occurring in their industry.





AHA NSW & Surf Life Saving Australia crews on the 2013 Variety NSW AHA Bash with John Green & Rolly De With.

# Legal and Industrial Affairs

Phillip Ryan - Director, Legal & Industrial Affairs



2013 marked a significant year for the AHA NSW in the delivery of legal and industrial support for its members. The inaugural Legal and Industrial Conference held on 29 August 2013 was a huge success.

Guest speakers included Deputy President Sams – Fair Work Commission, Professor Andrew Stewart – University of Adelaide and Steve Ronson – Office of the Fair Work Ombudsman.

We also continued to embrace technology in the successful delivery of online webinars to members in regional and rural areas as part of our ongoing education offering to the industry. This technology has allowed the AHA NSW to reach out to members right across the State without them having to leave their venues.

However, most significant was the implementation of *enableHR* for AHA NSW, which represented the largest investment on a single line member service in the history of the AHA NSW and was launched late last year by the Hon. Senator Eric Abetz, Minister for Employment.

*enableHR* for AHA NSW, which is supported by AHA NSW Bronze Sponsor, FCB Group, is a cloud-based platform that provides members with efficiency, consistency and compliance in managing their day-to-day HR transactions.

The implementation of *enableHR* for AHA NSW has cemented our position as the leader in the delivery of legal and industrial services for the hospitality industry.

A report on some of the other major issues or areas of work is below:

## ► Advocacy

The AHA NSW continued to provide quality and cost effective representation for members before the Fair Work Commission and other courts and tribunals such as the Administrative Decisions Tribunal, the Chief Industrial Magistrates Court, the District Court of NSW and the Federal Magistrate's Court of Australia.

These jurisdictions determine matters such as adverse action claims, common law contract claims, unfair dismissal, unlawful termination, discrimination complaints and underpayment of wages.

Of particular note in 2013, was the AHA NSW's success in *Boreland v Reserve Hotels Pty Ltd*. This is the first reported decision to clarify the scope of coverage of the *Hospitality Industry (General) Award 2010* ("the HIGA") in relation to senior employees.

The decision dealt with the issue of a senior employee who argued he was covered by the HIGA so that he could make an application for an unfair dismissal remedy. The Fair Work Commission found that "[T]he Applicant's evidence causes me to conclude that he was an operations manager [and] that his duties were broader than that which are specifically contemplated by the Hospitality Award."

The decision confirms that the Managerial Staff (Hotels) classification specifically excludes particular senior management roles responsible for a significant area of the operations of one or more hotels.

## ► Anti-Discrimination

On 8 April 2013, Honourable George Souris MP, Minister for Tourism, Major Events and Hospitality and Racing launched

updated Anti-discrimination Guidelines for the hotel and Accommodation Industry.

AHA NSW, TAA NSW and the Anti-Discrimination Board of NSW were joined by the Office of Liquor Gaming and Racing to launch the revised guidelines – which for the first time were released in a USB/digital format

The guidelines are available to all members through *enableHR* for AHA NSW.

## ► Austrac

We continued to provide assistance to members in relation to reporting requirements under the Anti-Money Laundering and Counter Terrorism ("the AMLCT") laws.

## ► Bargaining and Enterprise Agreements

The AHA NSW continued to assist members – whether small regional pubs or large 5-star hotels – in relation to enterprise agreements. This has included advice in relation to the benefits of enterprise agreements, as well as acting as bargaining representative during the negotiation and drafting of enterprise agreements and appearing before the Fair Work Commission for enterprise agreement related matters.

## ► Constitution and Rules

The Association maintained the register of members and complied with reporting obligations as required.

The State Organisation was successful in broadening its eligibility rule to encompass unlicensed accommodation providers operating within the hospitality industry. The corresponding federal application is currently before the Fair Work Commission.

## ► Fact sheets and resources

The Legal and Industrial Affairs Department continues to develop and update its range of fact sheets and other resources covering industrial relations, liquor and gaming and general compliance issues. These resources are reviewed in line with legislative changes and as part of an annual review of all legal and industrial resources and can be accessed by at [www.ahansw.com.au](http://www.ahansw.com.au) or through each member's *enableHR* for AHA NSW account.

## ► Fair Work Act 2009

We have continued to brief members on the interpretation of the *Fair Work Act 2009*, particularly in light of amendments which came into effect on 1 January 2014.

## ► Fair Work Ombudsman

In 2013, we have continued to liaise closely with the Fair Work Ombudsman (FWO) to discuss industry issues and represent members who were subject to a complaint by employees or former employees.



# GameCare: Self exclusion program best on offer

John Whelan - GameCare



AHA NSW GameCare has long provided a self-exclusion program that can offer the best to individuals suffering from destructive gambling habits and 2013 was no different. The tool to self-exclusion is a delicate balancing act that supports the individual in choosing to help themselves but does not eradicate their own initiative.

It is vital that the person attending the interview for self-exclusion is 100% committed to helping themselves.

For those individuals that are ready to make a change, GameCare gives people hope that there is a way to regain control.

Studies show that when attempting to subdue problem gambling, using a combination of tools including self-exclusion can greatly improve the prospects.

Venues across NSW are still the number one way in which people find out about self-exclusion and hotel management and staff continue to assist in harm minimisation by promoting the program.

Our strong relationships across NSW with many different organisations, counsellors, solicitors and NSW hotels all assist in educating the public with awareness of the GameCare Program.

It is pleasing to note this promotion of GameCare has seen a consistent number of participants in the program, particularly during a period when there has been no increase in the rate of problem gambling in NSW.

## ► Gaming Regulation

The regulation of gaming has been in the NSW and national spotlight for the past three and a half years.

Unfortunately the 2010 Gillard - Wilkie political deal to introduce mandatory pre-commitment posed such a serious threat that NSW hotels had no choice but to stand united as one and defend the industry. With our club partners we used our network of almost 2,000 NSW hotels to conduct a grass roots campaign not seen before in Australian politics.

From in-venue posters and to coasters, to TV commercials and local rallies attended by thousands of angry members of the public

we were able to send a blunt message to all politicians that this political deal was unacceptable to the community.

The campaign was an enormous success, forcing the Gillard Government to pass a significantly watered down National Gambling Reform Act 2012.

But the legislation was not perfect.

The watered down legislation would still force venues to needlessly replace or upgrade all machines at great expense. The Act would also introduce a \$250 ATM withdrawal limit, require the implementation of an expensive and intrusive state-wide database to track the play of participating players and introduce a new tax on each poker machine to fund a new Commonwealth bureaucracy.

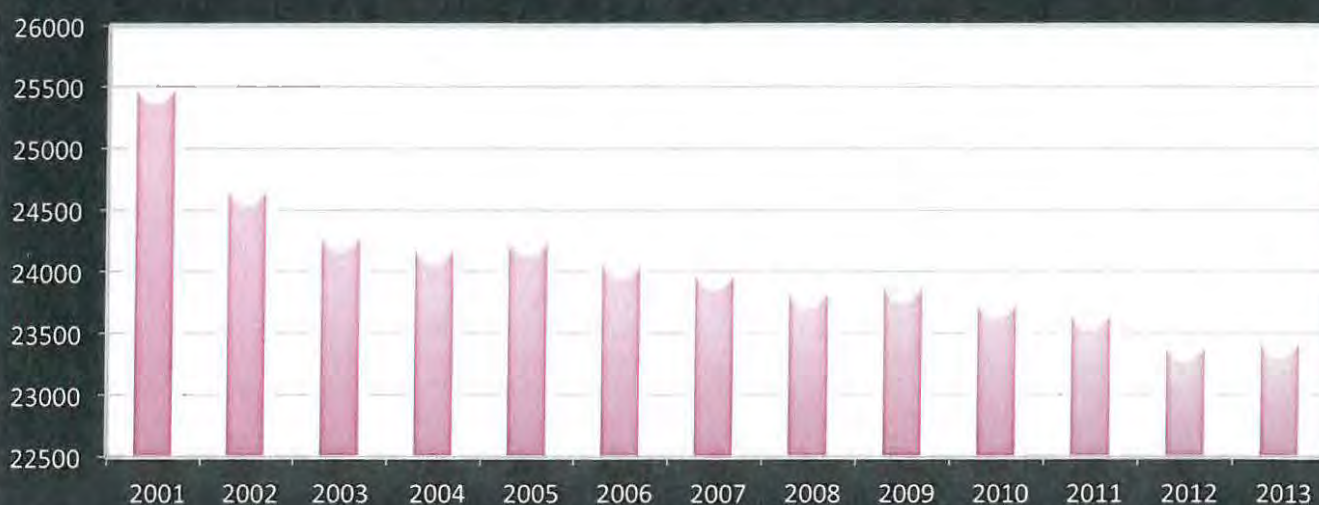
Following the recent Federal election AHA NSW was extremely pleased to see the new Abbott Government honour their pre-election commitment in full and introduce the Social Services and Other Legislation Amendment Bill 2013.

This Bill is set to repeal the Gillard and Wilkie legislation and restore the status quo by removing the \$250 ATM withdrawal limit, the commonwealth tax on gaming hotels, pre commitment deadlines and the requirement that gaming machines have mandatory pre commitment capability.

In introducing this legislation Prime Minister Tony Abbott and Minister Kevin Andrews have listened to the community, and the NSW hotel industry is extremely appreciative of their efforts and commitment.

*Note: At the time of drafting this report, the Government legislation had been passed by the House of Representatives and was expected to reach the Senate in late March 2014.*

## NSW Hotel Gaming Machines



Source: NSW Office of Liquor, Gaming & Racing



### ► Hospitality Industry (General) Award 2010

The outcome of the transitional review of modern awards was that the HIGA was varied on 15 August 2013. Whilst the transitional review was limited in its scope the AHA was able to achieve the ability for straight six hour shifts with no break or no penalty and equal time off in lieu for working on a public holiday rather than a whole day off in lieu regardless of time worked.

In 2014, the Fair Work Commission will commence the first full review of modern awards which will take place every four years.

### ► 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 the HIGA, anti-discrimination, immigration and termination of employment. In 2013, guest speakers included industry and government representatives and solicitors/barristers practising in relevant areas.

### ► Internal Litigation and Legal Work

The Legal and Industrial Affairs Department undertakes a substantial part of internal legal work for the Association. This includes providing advice, drafting documents such as contracts and representation in litigated proceedings.

### ► Legal and Industrial Seminars/Webinars

Whilst we have continued to conduct seminars on IR related topics such as Anti-Discrimination and Harassment, Counselling, Warnings and Fair Terminations and Know Your Award as well as conducting

our specialised hotel industry seminar 'Hotels and the Law', the point of difference in 2013 was the implementation and delivery of webinars to regional and rural members.

### ► Liquor Act 2007

We have continued to provide advice and lobby on key aspects of the *Liquor Act 2007*. The Association was successful in seeking extended trading hours for members for events of regional, State or national significance in 2013 including:

- Tamworth Music Festival;
- Various International Cricket Matches;
- Australian Open Tennis;
- National Rugby League Grand Final; and
- Coonamble Rodeo and Campdraft.

### ► Member Advisory Service

We have continued to take in excess of 12 000 member telephone or email enquiries across a range of legal and industrial issues. The member advisory 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.

### ► WorkCover NSW

We have maintained a working relationship with WorkCover NSW resulting in co-branded communications to the industry on safety alerts and matters of importance.



L-R: Managing Director FCB Technology Richard Breden, AHA NSW President Scott Leach, Minister for Employment, the Hon. Senator Eric Abetz and AHA NSW Director, Legal & Industrial Affairs Phillip Ryan.



# Year ends in media frenzy

Jason Bartlett – Director, Media and Communications



The media and communications sector of AHA NSW has been through a challenging year – which saw the phrase “alcohol-related violence” becoming firmly entrenched in the vernacular; January alone saw the phrase used 50,000 times in the NSW media.

Over the last year we have concentrated on combating the various myths about our industry as a whole, while at the same time initiating positive media coverage on a range of issues where possible; particularly in regional areas of NSW.

## ▶ Street violence

Since the tragic bashing of Thomas Kelly in Kings Cross in July 2012 the issue of alcohol-fuelled street violence has dogged the hotel industry.

Sadly, throughout the last year there have been several high profile violent incidents at night on the streets of Sydney – usually involving alcohol.

The bashing of Simon Cramp on George Street in June 2013, the attack on Fady Taiba in September 2013 inside a George St venue, the death of Lucio Rodriguez on Goulburn Street in November 2013, the attack on Michael McEwen at Bondi in December 2013 and the fatal assault on Daniel Christie on New Year's Eve 2013 – shocked the community and the industry.

All of these random incidents are tragedies and our thoughts remain with the families and friends of the victims of these senseless assaults.

The fatal attack on Mr Christie in particular – at about 9.00pm on the same street on which Thomas Kelly was fatally assaulted eighteen months earlier – dominated the media cycle over the traditionally quiet summer period to the point where the Prime Minister penned an open letter on the issue and the Governor-General Quentin Bryce attended the public funeral.

Some of the facts of the case – including the relatively early hour the attack occurred and the fact that it did not happen at a venue – meant little in the face of growing community outrage.

In the first ten days of 2014 AHA NSW conducted interviews with a range of publications and television and radio networks on the issue of street violence including:

- Opinion pieces in metropolitan and regional newspapers
- Regular appearances on metropolitan radio
- Appearances on commercial and ABC news networks
- Channel Seven's Sunrise
- Comments in major stories in the metropolitan press
- Talkback radio interviews
- Gay media etc

On Tuesday, 21 January 2014 NSW Premier Barry O'Farrell announced a suite of measures to combat alcohol-fuelled violence ranging from 1.30am lockouts and 3.00am “last drinks” to mandatory sentencing. AHA NSW issued a media statement saying we would work with the Government on implementation despite being sceptical about some of the announcement – including the lockouts. On that one day alone we handed almost 100 media enquiries.

As the Government's measures were rolled out we have continually stated the views of members – most recently on Channel Seven's Sunrise and Morning shows as well as in nightly news bulletins.

We will continue with this policy in coming months as we work with police and the community on solutions to violence on our streets.

## ▶ Assault figures

Somewhat ironically, given the focus on street violence in the metropolitan media, we had success in regional and suburban areas with our campaign on assault figures.

Assault figures on or near licensed premises are at the lowest levels in 15 years – in some areas of NSW in the last five years alone there have been massive drops of up to 50%.

Areas targeted in this campaign including the Central Coast, Wollongong, Wagga Wagga, Bathurst, The Hills district and the Southern Highlands – all leading to positive stories in local media; particularly the print media.

## ▶ 2013 Awards For Excellence and other positive media

The Awards For Excellence once again garnered great coverage in regional and suburban press with dozens of positive stories about nominees and winners conservatively estimated to be worth more than \$100,000 in advertising space.

From a media perspective this continues to be a great annual event which receives great coverage for several weeks both before and after the November awards function.

Other positive media in 2013 included:

Women in Tourism: The \$20,000 regional scholarship again saw finalists and winners featured in their respective local media both before and after the event.

The 2013 Good Pub Food Guide: Spawned a series of articles in regional areas in particular.

“Food media”: 2013 really saw hotels take off in the “food sphere” with AHA NSW working with metropolitan newspapers in particular on a series of “best ofs...” including “best rooftop bars,” “best burgers,” “best NSW pubs,” etc. This is expected to continue in 2014.

Removal of venues from the Government's Tiered System: With the number of premises on the list now at record lows, the release of Tiered System figures is now actually a source of positive media for most hotels especially in the suburbs and the regions.

The 2013 Variety NSW AHA Bash also received some great local media.

AHA NSW also kept up its profile through a series of opinion pieces in metro and regional media on a range of issues as well as regular appearances on radio and television.

## ▶ Member support

One positive aspect of the last year is the rise in the number of members from right across NSW calling for advice if they are dealing with media.

Calls have ranged from difficult issues such as armed robberies or assaults on premises right through to the best way to gain positive coverage of an upcoming charity event.

Members have also received a media protocol kit in the last 12 months containing basic information about handling media inquiries to help make the process easier for both publicans and journalists alike.

2014 will continue to see the media and communications department working closely with Members and journalists to ensure our voice is heard and that we have a say in the stories impacting our industry.



# Embracing change

Caroline Beinke – General Manager Marketing and Sponsorship



Change is hard. Sometimes, it can be downright painful. But change is a crucial part of productivity. If you lack the ability to adapt and grow, your productivity will stall, stagnate, and finally end. Fortunately AHA NSW has taken to change like a duck takes to water. A major part of that change was implemented by the marketing and sponsorship team.

We have simplified the AHA NSW logo and introduced a style guide and brand identity that reflects the direction the NSW division of the AHA is taking whilst, at the same time, not losing sight of our past.

For example, 25 November 2013 was a significant day. Not only was it the night we honoured the "best of the best" in our industry at the Awards for Excellence dinner held at The Star but it was also the 40th Anniversary of the AHA NSW as an association starting its life as ULVA (United Licensed Victuallers Association) in 1873, based in Elizabeth street, Sydney.

We also used these significant milestones to launch our social media profile using facebook, twitter, instagram and linkedin to start conversations with our members and corporate partners.

## ► Corporate Partners

Our Corporate Partners are the life blood of the AHA NSW. Their support allows us, as an association, to represent our members and fight for what is fair in our industry. 2013 has seen us streamline our corporate partner offer and structure our sponsor activations to make them relevant to the partner. We are in a unique position at the AHA NSW where each member of the Association is the direct purchaser of products and services for their business so I like to think of our sub branch meetings as qualified buyer forums and that in its self is an attractive proposition when deciding whether or not to become an Associate.

We have experienced significant growth in this area and would like to thank our long-standing corporate partners for their support of the AHA NSW and our initiatives. We would also like to welcome our new ones – Australia Draught, San Miguel, The Hotel School Sydney, Ebet Gaming, Plus 5 Media, Go Energy, Lawler Hospitality and Link 2 Accommodation Solutions.

## ► Events

The past twelve months has also seen change in how we deliver our events with a new sense of style and purpose.

This was obvious from our first event in March 2013 where we celebrated International Women's Day with our Corporate Partner, American Express by way of a share lunch and a Q&A session with some Australia's leading female CEO's.

And again at our slightly quirky AGE (Australasian Gaming Expo) cocktail party where we hosted over 400 industry luminaries and AHA NSW members at Cargo Bar whilst listening to the dulcet tones of Nikki Bennett and her band.

There was also our marquee event, the Women in Tourism and Hospitality lunch which this year for the first time saw us dine at the newly opened Doltone House Hyde Park where we were enamored by Ita Buttrose AO, OBE - a truly exceptional Australian: a legendary media editor, businesswoman, best-selling author, committed community and welfare contributor and 2013 Australian of the Year.

This change of format of awarding the Women in Tourism and Hospitality Scholarship at a power lunch was certainly one to be remembered and a format that was well patronised and received. Everyone was touched by the stories of the four young finalists. So touched that President Scott Leach and Senior Vice President Lyn Humphreys, did not just award Danica Perceval from Grenfell

the full \$20,000 scholarship but all four girls walked away with a contribution to their future studies.

The Awards for Excellence 2013 were record breaking in every sense of the word. More than 1050 industry, business and community leaders gathered at the Star event centre to see us honour the best in the business. It was the biggest sit-down event the Star had ever held in their event centre and the positive feedback on the change of venue and event programming was overwhelming. It was also the first time that the AHA NSW inducted a father and son duo into the Hall of Fame and we congratulate John and Justin Hemmes on their contribution to changing the face of the industry.

In reflection, 2013 was definitely a year where we embraced change; whether it was through new technologies, embarking on our social media journey, or the changes to our corporate image and brand it all sets the wheels in motion for the future success and longevity of the AHA NSW.

Diamond			
Platinum			
Gold			
Silver			
Bronze			

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

<b>CONTENTS</b>	<b>PAGE</b>
Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Cash Flows	3
Consolidated Statement of Changes in Equity	4
Notes to the Consolidated Financial Statements	5 – 18
Certificate of Accounting Officer	19
Statement of Committee of Management	20
Independent Auditor's Report to the Members	21 – 22
Compilation Report to the Members	23
Profit and Loss Statement	24 – 25

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>REVENUE</b>	<b>3</b>	8,859,542	8,497,579
<b>EXPENDITURE</b>			
Administrative, Member and Other Expenses		(4,530,721)	(4,095,400)
Loss on Disposal of Non Current Assets		(6,944)	(2,995)
Employee Benefits Expense	<b>4</b>	(3,174,730)	(2,678,816)
		(7,712,395)	(6,777,211)
<b>Profit Before Depreciation and Income Tax Expense</b>		1,147,147	1,720,368
Depreciation		(439,928)	(479,914)
<b>Profit Before Income Tax Expense</b>		707,219	1,240,454
Income Tax Expense	<b>6</b>	-	-
<b>NET PROFIT FOR THE YEAR</b>		707,219	1,240,454
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be Reclassified Subsequently to Profit or Loss		-	-
Items that will not be Reclassified to Profit or Loss		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		707,219	1,240,454

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	5,032,710	4,220,964
Trade and Other Receivables	8	517,256	618,706
Other Assets	9	77,821	160,021
<b>TOTAL CURRENT ASSETS</b>		<u>5,627,787</u>	<u>4,999,691</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	7,249,514	7,647,475
Investments	11	4,800,021	4,800,021
<b>TOTAL NON-CURRENT ASSETS</b>		<u>12,049,535</u>	<u>12,447,496</u>
<b>TOTAL ASSETS</b>		<u>17,677,322</u>	<u>17,447,187</u>
<b>CURRENT LIABILITES</b>			
Trade and Other Payables	12	2,711,568	2,399,007
Provisions	13	338,474	250,450
<b>TOTAL CURRENT LIABILITES</b>		<u>3,050,042</u>	<u>2,649,457</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans and Borrowings	14	349,917	1,252,452
Provisions	13	1,086,132	1,061,266
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,436,049</u>	<u>2,313,718</u>
<b>TOTAL LIABILITIES</b>		<u>4,486,091</u>	<u>4,963,175</u>
<b>NET ASSETS</b>		<u>13,191,231</u>	<u>12,484,012</u>
<b>EQUITY</b>			
Retained Earnings		13,191,231	12,484,012
<b>TOTAL EQUITY</b>		<u>13,191,231</u>	<u>12,484,012</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>Cash Flows from Operating Activities:</b>			
Receipts from Members and Third Parties		8,457,101	8,211,311
Payments to Suppliers and Employees		(7,197,800)	(8,100,089)
Dividend Received		300,789	175,695
Interest Income		203,102	230,121
Net Cash Provided by Operating Activities	17	1,763,192	517,038
<b>Cash Flows from Investing Activities:</b>			
Payment for Property, Plant and Equipment		(62,075)	(107,523)
Proceeds from Sale of Property, Plant and Equipment		13,164	-
Proceeds from Investments		-	1,200,000
Net Cash (Used In) / Provided By Investing Activities		(48,911)	1,092,477
<b>Cash Flows from Financing Activities:</b>			
Principal Loan Repayments		(902,535)	(1,871,365)
Net Cash (Used in) Financing Activities		(902,535)	(1,871,365)
Net Increase / (Decrease) in Cash held		811,746	(261,850)
Cash and Cash Equivalents at Beginning of Financial Year		4,220,964	4,482,814
<b>Cash and Cash Equivalents at End of Financial Year</b>	7	<b>5,032,710</b>	<b>4,220,964</b>

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Retained Earnings</b>	<b>Equity</b>
	<b>\$</b>	<b>\$</b>
<b>At 1 January 2012</b>	11,243,558	11,243,558
<i><b>Total Comprehensive Income for the Year</b></i>		
Net Profit for the Year	1,240,454	1,240,454
<i><b>Other Comprehensive Income</b></i>		
Other Comprehensive Income	-	-
<b>At 31 December 2012</b>	12,484,012	12,484,012
<i><b>Total Comprehensive Income for the Year</b></i>		
Net Profit for the Year	707,219	707,219
<i><b>Other Comprehensive Income</b></i>		
Other Comprehensive Income	-	-
<b>At 31 December 2013</b>	<u>13,191,231</u>	<u>13,191,231</u>

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 5 to 18.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**1 CORPORATE INFORMATION**

The consolidated financial report of Australian Hotels Association (NSW) ("the Association"), and its Controlled Entities for the year ended 31 December 2013 were authorised for issue in accordance with a Resolution of the Committee of Management on 5 March 2014.

The Association is incorporated in Australia. The nature of the operations is that of an Industrial Association comprising and representing members of the hotel industry.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The Controlled Entities are for-profit entities for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year. All amounts are presented in Australian dollars and have been rounded to the nearest dollar.

**(b) Statement of Compliance**

The consolidated financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Changes in Accounting Policies**

**Presentation of Financial Statements**

From 1 January 2013, the Association has applied amendments to *AASB 101 Presentation of Financial Statements* as outlined in *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The revised version of AASB 101 contains a number of terminology changes, including the amendments of the names of the primary financial statements. The amendments change the title of the Statement of Comprehensive Income to the Statement of Profit or Loss and Other Comprehensive Income. It has no impact on profit or loss.

**Presentation of Transactions Recognised in Other Comprehensive Income**

From 1 January 2013, the Association has applied amendments to *AASB 101 Presentation of Financial Statements* as outlined in *AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has no impact on profit or loss. These changes have been applied retrospectively and require the Association to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified. These changes are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**(d) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Australian Hotels Association (NSW), Australian Hospitality Insurance Services Pty Limited, AHA (NSW) Business Portal 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 which in the opinion of the Committee of Management equates to their market value. Intra group balances are eliminated in preparing the consolidated financial statements.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the accrued benefits will flow to the Association and Controlled Entities. The following specific recognition criteria also apply before revenue is recognised:

- Subscription revenue from general division members is recognised on a receipt basis and is allocated to the relevant period;
- Dividends are brought to account when received; and
- Other subscription revenue, training revenue, commission, interest received and other sundry revenues are recognised on an accrual basis.

**(f) 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) (herein referred to as "the State Organisation"); and
  - b) certain entities which are wholly owned subsidiaries of the State Organisation, as referred to in paragraph (d) above.
- (ii) There is also a special relationship between the State Organisation and the Australian Hotels Association, NSW Branch, being a branch of an organisation of employers by the name "Australian Hotels Association" registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (iii) The Australian Hotels Association NSW Branch ("The Federal Branch") is the counterpart branch of the federal registered Australian Hotels Association ("AHA") to the State Organisation, and the membership and officers of the Federal Branch are the same as the membership and officers of the State Organisation.
- (iv) By reason of arrangements that exist between the State Organisation and the Federal Branch, the Federal Branch does not require its members to pay membership fees to the Federal Branch on condition that any capitation fees, levies, contributions or other amounts required to be paid by the Federal Branch to the National Office of the AHA are paid to that Office by the State Organisation on behalf of the Federal Branch (See Rule 9 of the Rules of the Federal Branch).
- (v) 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.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Special Note Concerning Basis of Financial Statements (Continued)**

- (vi) As a consequence of the foregoing arrangements the Federal Branch does not currently and has not had in the reporting period any financial activities separate to those of the State Organisation, all such activities of the Federal Branch being encompassed within the financial affairs of the State Organisation as contemplated by Section 269 of the Fair Work (Registered Organisations) Act 2009 (Cth).
- (vii) These financial statements reflect the arrangements between the Federal Branch and the State Organisation as referred to above by way of an explanation at Note 15 concerning related party transactions.

**(g) 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.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash on hand and at bank together with short-term deposits with an original maturity of three months or less.

**(i) Trade and Other Receivables**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

***Strata Units***

Strata units are shown at cost less subsequent depreciation. In periods when the strata units are not subject to an independent valuation, the Committee of Management conduct their own assessment to ensure the carrying amount is not materially different to the fair value. The Committee of Management considers it appropriate to state the value of the Strata Titled Units together with additions at cost.

***Plant, Equipment and Motor Vehicles***

These assets are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present.

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

- Strata Units – 40 years straight line
- Strata Units Renovations – 10 to 15 years straight line
- Plant and Equipment – 5 to 15 years straight line
- Motor Vehicles – 4 to 5 years diminishing value

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year, with the effect of any changes in estimate accounted for on a prospective basis.

**(k) Impairment of Assets**

At each reporting date, the Committee of Management assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Committee of Management 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.

**(l) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received during the reporting period that remain unpaid at the end of the reporting period.

AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Interest Bearing Loans and Borrowings

All loans and borrowings are recognised at their principal amount including transaction costs attributable to their issue.

(n) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resources will result and that outflow can be reliably measured.

(o) 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 the 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 the 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 the reporting date, which most closely match the terms of maturity of the related liability.
- *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.

(p) 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, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(q) 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 payable to the ATO is included as a current liability in the Consolidated Statement of Financial Position.

**(r) Critical Accounting Estimates and Judgments**

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Estimates and underlying assumptions are reviewed on an ongoing basis.

**(s) Financial Instruments**

***Derivative Financial Instruments***

No derivative financial instruments are used by the Association.

**(t) New Accounting Standards and Interpretations**

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Association. The Association will consider the impact in future years.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>3 REVENUE</b>		
Advertising Commissions	524,496	420,670
Dividend Received	300,789	175,695
Gaming Cost Recovery	106,061	238,334
Insurance Commission	10,871	-
Interest Income	203,102	230,121
Keno Commission	692,422	757,178
Membership Activities	2,783,391	2,566,337
Membership Subscriptions	4,238,410	4,109,244
	<u>8,859,542</u>	<u>8,497,579</u>
<b>4 EXPENSES</b>		
<b>Employee Benefits Expense</b>		
Annual Leave	67,709	(36,417)
Fringe Benefits Tax	24,000	24,000
Long Service Leave	6,872	32,902
Payroll Tax	130,415	110,991
Salary and Wages	2,704,604	2,331,194
Superannuation	241,130	216,146
	<u>3,174,730</u>	<u>2,678,816</u>
<b>5 AUDITOR'S REMUNERATION</b>		
Amounts received or due and receivable by V J Ryan & Co for:		
Audit of the Financial Statements - Association	48,500	33,700
Other Services - Association	51,460	92,002
Other Services - Controlled Entities	450	450
	<u>100,410</u>	<u>126,152</u>
<b>6 INCOME TAX EXPENSE</b>		

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



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>7 CASH AND CASH EQUIVALENTS</b>		
<b>CURRENT</b>		
Cash on Hand	2,999	2,999
Term Deposits – St. George Bank	1,000,000	1,000,000
Term Deposits – Members Equity Bank Pty Limited	2,500,000	2,000,000
Cash at Bank – St. George Bank	1,529,711	1,217,965
	<u>5,032,710</u>	<u>4,220,964</u>
<b>8 TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Debtors	523,856	622,123
Provision for Doubtful Debts	<u>(6,600)</u>	<u>(3,417)</u>
	<u>517,256</u>	<u>618,706</u>
<b>9 OTHER ASSETS</b>		
<b>CURRENT</b>		
Other Debtors	-	318
Prepayments	77,821	159,703
	<u>77,821</u>	<u>160,021</u>
<b>10 PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>NON-CURRENT</b>		
Strata Units - At Cost	7,762,585	7,762,585
Less: Provision for Depreciation	<u>920,093</u>	<u>612,018</u>
	6,842,492	7,150,567
Plant and Equipment – At Cost	591,557	577,940
Less: Provision for Depreciation	<u>303,040</u>	<u>202,111</u>
	288,517	375,829
Motor Vehicles – At Cost	181,457	165,080
Less: Provision for Depreciation	<u>62,952</u>	<u>44,001</u>
	118,505	121,079
	<u>7,249,514</u>	<u>7,647,475</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>10 PROPERTY, PLANT &amp; EQUIPMENT (Continued)</b>		
<b>NON-CURRENT</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	7,150,567	7,458,641
Depreciation	(308,075)	(308,074)
	<u>6,842,492</u>	<u>7,150,567</u>
<u>Plant &amp; Equipment</u>		
Carrying Amount at Beginning of Year	375,829	439,735
Additions	13,617	73,455
Depreciation	(100,929)	(137,361)
	<u>288,517</u>	<u>375,829</u>
<u>Motor Vehicles</u>		
Carrying Amount at Beginning of Year	121,079	124,485
Additions	48,458	66,445
Disposals	(20,108)	(35,372)
Depreciation	(30,924)	(34,479)
	<u>118,505</u>	<u>121,079</u>
	<u><u>7,249,514</u></u>	<u><u>7,647,475</u></u>

**Valuation**

The Strata Units of Levels 15 & 16, 131 Macquarie Street, Sydney were independently valued on 17 December 2012. The valuation carried out by Mr. S. Hayes, AAPI registered valuer No. 12816 assessed the market value of the Strata Units at \$7,200,000 (Ex GST). The valuation has not been reflected in the consolidated financial statements.

The Committee of Management have reviewed the key assumptions adopted by the valuer in 2012 and do not believe there has been a significant change in the assumptions at 31 December 2013. The Committee of Management therefore believe the carrying amount correctly reflects the fair value at 31 December 2013.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
<b>11 INVESTMENTS</b>		
<b>NON-CURRENT</b>		
Shares in Hospitality Employers Mutual Limited - At Cost	4,800,000	4,800,000
Shares in Subsidiary Companies - At Cost	<u>21</u>	<u>21</u>
	<u>4,800,021</u>	<u>4,800,021</u>
<p>Until 29 June 2012, Hotel Employers Mutual Limited ("HEM") was owned equally by Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") and Employers Mutual Limited ("EML"). AHA Holdings is a wholly owned subsidiary of the Association. Effective 29 June 2012, EML continues to hold 50% of the ordinary share capital of HEM with the remaining shareholding split equally between AHA Holdings – 25% and Clubs (NSW) – 25%. To reflect this expansion effective 29 June 2012, HEM's name was changed to Hospitality Employers Mutual Limited.</p> <p>Initially, EML provided funding of \$6,000,000 to AHA Holdings to acquire 6,000,000 shares in HEM. Effective 29 June 2012, a capital reduction of \$1,200,000 was applied to AHA Holdings shareholding in HEM. This amount was utilised towards a reduction of the loan (Refer Note 14). The shares are held as security over the loan from EML.</p>		
<b>12 TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade Creditors and Accruals	568,173	486,509
GST Payable	140,568	88,135
Subscriptions in Advance	1,615,412	1,071,944
Income in Advance	<u>387,415</u>	<u>752,419</u>
	<u>2,711,568</u>	<u>2,399,007</u>
<b>13 PROVISIONS</b>		
<b>CURRENT</b>		
Employee Entitlements	<u>338,474</u>	<u>250,450</u>
<b>NON-CURRENT</b>		
Employee Entitlements	81,301	83,566
Provision for Economic Costs	<u>1,004,831</u>	<u>977,700</u>
	<u>1,086,132</u>	<u>1,061,266</u>

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>14 LOANS AND BORROWINGS</b>		
<b>NON-CURRENT</b>		
Loan from Employers Mutual Limited	349,917	1,252,452

A loan to Australian Hotels Association (NSW) Holdings Pty Limited ("AHA Holdings") to acquire its original shareholding in Hotel Employers Mutual Limited ("HEM") was provided by Employers Mutual Limited ("EML") on the basis that it has no recourse to the Association and limited recourse to AHA Holdings. The limited recourse to AHA Holdings is to AHA Holdings shares in HEM as detailed in Note 11. AHA Holdings is a wholly owned subsidiary of the Association.

On the 9th anniversary of completion, 28 March 2017, AHA Holdings must repay the balance of the loan then outstanding. AHA Holdings is required to make loan repayments to EML in the meantime equal to: i) Sponsorship fees paid by EML/HEM to the Association ii) Advertising fees paid to AHA Holdings and iii) HEM dividends paid to AHA Holdings.

There is no interest payable during the term of the loan, however, AHA Holdings must reimburse the economic cost to EML of providing the funds. The economic cost is calculated daily utilising the 180 day Bank Bill rate applied to the outstanding loan balance during the term of the loan. Refer to Note 13.

As security for the loan, EML, under the Share Charge, holds a first fixed charge over AHA Holdings shares in HEM, as detailed in Note 11 and all rights in relation to them. The Association has no obligation to repay the EML loan or any part thereof or to provide security.

**15 RELATED PARTY TRANSACTIONS**

**Executive Members and Councillors Related Parties**

Executive Members and Councillors are officeholders of the Association.

Executive Members as set out in Note 16 are entitled to claim for attendance at meetings at the rate of \$176 per day or \$110 per half day (inclusive of GST) together with a reimbursement of actual incidental expenses. Members of the Council are entitled to a reimbursement of actual incidental expenses. Officeholders have provided goods and services to the Association on normal commercial terms and are entitled to the payment of outgoings made on their behalf.

The President, Scott Leach was paid an allowance of \$60,000 in the financial year (2012: \$60,000) by way of compensation for costs incurred.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$

**15 RELATED PARTY TRANSACTIONS (Continued)**

**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 2013 was \$10,871 (2012: \$Nil).

Payment of the sum of \$139,814 (2012: \$134,700) by the Association to the National Office of the AHA, constituting satisfaction of the obligation of the Australian Hotels Association, NSW Branch ("the Federal Branch") for the reporting period to the National Office of the AHA pursuant to Rule 12 of the Rules of the AHA (see also Rule 9 of the Rules of Federal Branch).

**16 KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Key Management Personnel**

The key management personnel include the members of the Executive Committee together with the Chief Executive Officer.

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

Scott Leach	Rolly De With	Colin Parras	Nigel Greenaway
Lynette Humphreys	Kim Maloney	Andrew Rendall	Tony McLure
Colin Waller	Phillip Webster	Paul Dirou	Dan Brady
George Bedwani	Peter Tudehope	Des Kennedy	

**Transactions with Key Management Personnel**

The key management personnel compensation included in employee costs was:

Short Term Employee Benefits	403,350	403,350
------------------------------	---------	---------

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, Kim Maloney and the Chief Executive Officer.

During the financial year, the President Scott Leach and the Secretary/Treasurer Colin Waller were officeholders of companies associated with or related to the Association and received directors' fees paid directly to them from those companies.



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>17 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO PROFIT AFTER INCOME TAX</b>		
Profit from Ordinary Activities	707,219	1,240,454
<i>Non-Cash Flows and Non-Operating Items in Operating Profit:</i>		
Depreciation	439,928	479,914
Loss on Disposal of Non Current Assets	6,944	2,995
<i>Changes in Assets and Liabilities:</i>		
Decrease in Receivables	101,450	119,548
Decrease / (Increase) in Other Assets	82,200	(133,592)
Increase / (Decrease) in Payables and Income in Advance	312,561	(1,272,605)
Increase in Provisions	112,890	80,324
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>1,763,192</u>	<u>517,038</u>

**18 FINANCIAL INSTRUMENTS**

- (a) **Credit Risk** - Credit risk is the risk of financial loss if a customer or counter party to a financial instrument fails to meet its contractual obligations and is represented by:

Cash and Cash Equivalents ( <b>Note 7</b> )	5,029,711	4,217,965
Trade and Other Receivables ( <b>Note 8</b> )	517,256	618,706
Investments ( <b>Note 11</b> )	4,800,021	4,800,021
	<u>10,346,988</u>	<u>9,636,692</u>

- Cash at bank is held with financial institutions that hold high market credit ratings.
  - The Association has a specific provision to cover potential impairment of Trade and Other Receivables.
  - Investments in subsidiaries are carried at cost which in the opinion of the Committee of Management equates to their market value. The investment in Hospitality Employers Mutual Limited ("HEM") represents AHA Holdings shareholdings in HEM. The shares are held as security over the loan from EML.
- (b) **Liquidity Risk** - The loan as referred to in Note 14 has no recourse to the Association and limited recourse to AHA Holdings. The limited recourse to AHA Holdings is to AHA Holdings shares in HEM as detailed in Note 11. The loan is repayable on the 28 March 2017. In addition, the Association has short term liabilities represented by trade and other payables of \$2,711,568 (**Note 12**).
- (c) **Interest Rate Risk** - The Association has limited exposure to interest rate risk on its fixed and variable rate financial instruments. Term deposits have maturity dates of three months or less.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

**CERTIFICATE OF ACCOUNTING OFFICER**

---

I, Colin Waller, being the Accounting Officer of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities hereby certify that the number of members of the Association at 31 December 2013 was 1,791.

In my opinion:

- (a) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Association and its controlled entities at 31 December 2013;
- (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 - Colin Waller

Dated at Sydney:



**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

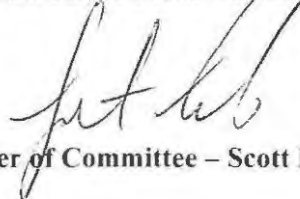
**STATEMENT OF COMMITTEE OF MANAGEMENT**

---

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

- (a) The accompanying consolidated financial statements show a true and fair view of the financial affairs of the Association and its Controlled Entities at 31 December 2013;
- (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 consolidated 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 preceding the financial year to which these consolidated 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 at Sydney:** 5<sup>th</sup> MARCH 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

---

**Report on the Financial Report**

We have audited the consolidated financial report of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities for the financial year ended 31 December 2013, consisting of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Notes to the Consolidated Financial Statements, Certificate of the Accounting Officer and Statement of the Committee of Management.

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

The Committee of Management is responsible for the preparation and true and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Industrial Relations Act 1996 (NSW). 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 consolidated financial report to the members of the Association and its Controlled Entities 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 consolidated financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial report.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES (CONTINUED)**

---

**Independence**

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

**Audit Opinion**

In our opinion:

- (a) (i) satisfactory accounting records were kept by the Association and its Controlled Entities 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 and its Controlled Entities; and
  - (ii) the accompanying consolidated financial report (including the Statement of the Committee of Management) set out on pages 1 to 20 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 Australian Accounting Standards – Reduced Disclosure Requirements, so as to give a true and fair view of:-
    - a) the state of affairs of the Association and its Controlled Entities as at 31 December 2013; and
    - b) the performance of the Association and its Controlled Entities 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.
- (b) other mandatory professional reporting requirements in Australia.

  
**V J RYAN & CO**  
Chartered Accountants

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

  
**Peter Gerard Crawford**  
Partner

**Dated at Sydney:** 5 March 2014



**COMPILATION REPORT TO THE MEMBERS OF  
AUSTRALIAN HOTELS ASSOCIATION (NSW)  
ABN 64 243 628 807  
AND ITS CONTROLLED ENTITIES**

---

The additional financial data presented on pages 24 and 25 is in accordance with the books and records of Australian Hotels Association (NSW) ("the Association") and its Controlled Entities which have been subjected to the auditing procedures applied in our audit for the financial year ended 31 December 2013. 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 and its Controlled Entities) 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*

**Peter Gerard Crawford  
Partner**

**Dated at Sydney:** *5 March 2014*

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>INCOME</b>		
Advertising Commissions	524,496	420,670
Dividend Received	300,789	175,695
Insurance Commission	10,871	-
Gaming Cost Recovery	106,061	238,334
Interest Income	203,102	230,121
Keno Commission	692,422	757,178
Membership Activities	2,783,391	2,566,337
Membership Subscriptions	4,238,410	4,109,244
	<u>8,859,542</u>	<u>8,497,579</u>
<b>EXPENDITURE</b>		
Accounting and Consulting Fees	37,196	23,059
Accommodation Division	264,743	243,779
Administration	2,265	2,266
Advertising and Staff Hire	225	1,456
Annual Leave	67,709	(36,417)
Annual Report	16,524	14,692
Auditor's Remuneration	48,500	33,700
Bank and Credit Card Charges	39,876	32,847
Capitation Fees	139,814	134,700
Cleaning and Laundry	51,810	44,554
Computer and Development Costs	151,205	132,676
Consultancy	69,044	139,891
Delegates	189,789	150,673
Depreciation	439,928	479,914
Donations	249,513	92,564
Movement in Provision for Doubtful Debts	3,184	(72,370)
Economic Cost	27,131	83,840
Electricity	52,074	43,623
Executive Administration	421,163	727,684
Executive and Committee of Management	96,307	159,185
Flowers and Plant Hire	7,881	8,478
Fringe Benefits Tax	24,000	24,000
Gaming Department and Research	170,479	69,920
Hotel News	340,022	277,681
Industrial and Membership	112,772	92,305
Insurance	66,150	58,434
Legal Fees	417,259	122,750
Long Service Leave	6,872	32,902

This statement has not been audited.

**AUSTRALIAN HOTELS ASSOCIATION (NSW)**  
**ABN 64 243 628 807**  
**AND ITS CONTROLLED ENTITIES**

**PROFIT AND LOSS STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>EXPENDITURE (Continued)</b>		
Loss on Disposal of Non Current Assets	6,944	2,995
Marketing	594,925	448,983
Membership	203,640	129,739
National Executive and Board Meetings	33,706	44,376
National Office Costs	198,812	112,000
Parking Levy	41,486	29,946
Payroll Preparation	3,939	3,428
Payroll Tax	130,415	110,991
President's Allowance	60,000	60,000
Printing and Stationery	11,825	9,647
Public Relations	73,246	139,446
Rates, Taxes and Strata Levies	95,508	91,069
Regional Meetings	23,119	18,058
Repairs and Maintenance	44,345	93,219
Salaries and Wages	2,704,604	2,331,194
Security	2,249	365
Sponsorship	25,494	30,080
Staff Amenities	9,034	8,017
Sub Branch Subsidies	455	-
Superannuation	241,130	216,146
Telephone	17,843	50,155
Training Department	113,459	204,464
Travel	2,710	4,021
	<u>8,152,323</u>	<u>7,257,125</u>
<b>Profit for the Year</b>	<u>707,219</u>	<u>1,240,454</u>

This statement has not been audited.

