Advocating for the people of Western Sydney

Western Sydney Regional Organisation of Councils Ltd

ABN 16 053 399 983

Financial Report

For the year ended 30 June 2019

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN 16 053 399 983

DIRECTORS' REPORT

The directors present their report together with the financial report of Western Sydney Regional Organisation of Councils Limited ("WSROC") for the year ended 30 June 2019 and auditor's report thereon.

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Provide media and public presentations to all levels of government.
- Identify and harness opportunities for regional collaboration where beneficial for its members.
- Successfully deliver approved outcomes of externally funded grants programs.
- Facilitate shared procurement services for the member councils of Western Sydney.

The company's long-term objectives are to:

- Improve quality of life for the people of Western Sydney such that no one should have to leave the region to access amenities, services and opportunities that others in urban Australia take for granted.
- Build and maintain a strong collective voice for local government in Western Sydney, affording the region greater influence than each member could achieve individually.
- Seek external funding where available, for regional projects which are part of the Western Sydney Regional Organisation of Councils' core business.
- Provide a sufficient level of return on equity to guarantee the independent viability of the enterprise.

To achieve its short-term and long-term objectives, the company has adopted the following strategies:

- Build strong Councillor and Professional Officer networks to help identify and inform regional collaboration and advocacy.
- Seek and examine opportunities for procurement collaboration through the sharing of information and services for the member councils and sharing rebates with prescribed procurement aggregators.
- Work with other bodies to achieve outcomes that deliver agreed grant funded targeted outcomes.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN 16 053 399 983

DIRECTORS' REPORT

Principal activities

In 2018/19 the company engaged in the following activities to achieve its short-term and long-term objectives:

- Advocated to the Commonwealth and NSW Government regarding the needs of Western Sydney via meetings, submissions, letters and media releases.
- Developed partnerships with government, business and community organisations in relation to improving the employment planning, infrastructure, environmental and cultural outcomes in the region.
- Secured external grant funding to deliver regional programs on behalf of its members.
- Collaborative procurement activities on behalf of member councils.
- Researched the needs of Western Sydney and advancing its interests.

Key performance indicators and achievements

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses the following key performance indicators to measure, analyse and monitor its performance.

WSROC's performance for 2018/2019 is measured by the outcomes achieved in relation to its advocacy on behalf of the needs of Western Sydney as outlined below:

Over the past 12 months, WSROC has focused its advocacy on several key issues identified by its members including: waste planning and levy return, urban heat mitigation, public lighting reform, liveability, Western Sydney rail investment, fairer road tolls, and Western Sydney Airport.

In doing so the organisation has made 20 submissions to state and federal government, hosted 47 forums on issues requiring regional collaboration and delivered three training programs for professional development. Publicly, the organisation has generated 175 media articles equating to over 18 million potential impressions.

WSROC also manages several projects which deliver benefits to councils through cost savings, information sharing and collective advocacy.

Western Sydney Regional Waste Avoidance and Resource Recovery Strategy

The Sydney Regional Waste Strategy has become a flagship initiative for WSROC. Over the past five years the Strategy has allowed WSROC and its members to drive a collaborative approach to waste management that supports councils in delivering safe, affordable services to the community, whilst meeting the waste avoidance and resource recovery (WARR) targets set by the NSW Government.

In the last financial year, the Strategy delivered collaborative advocacy in relation to the NSW Waste Levy, China Sword Policy, AWT policy changes and a range of regional waste planning issues. It also delivered tailored training and resources for waste officers, regional campaigns targeting litter, and collaborative research projects including a Greater Western Sydney infrastructure needs analysis, joint regional waste contracts, and elevating waste planning measures as part of the Greater Sydney Commission Local Strategic Planning Statements (LSPS) and LEP review process.

The success of the regional waste strategy is demonstrated by the NSW Government's decision to extend funding for a further three years.

Light Years Ahead Energy Efficiency Initiative

WSROC continues to work with Western Sydney councils to deliver energy efficiency and renewable projects that save money, reduce emissions and deliver positive policy change.

2018/19 saw the launch of WSROC's second energy program – the *Light Years Ahead Energy Efficiency Initiative (2017-2020)*. The original Light Years Ahead program (2016/2017) upgraded 14,941 end-of-life streetlights to more efficient LED technologies. At the request of councils, the second iteration of the program has been expanded to include a broader range of initiatives, including solar, fleet and electricity procurement. Whilst additional activities are currently being scoped, to date the extended program has included replacement of an additional 6,000 streetlights across the Parramatta LGA and is in the process of installing 500kW of solar PV in the Hawkesbury LGA. Business cases have been developed for further expansion of the streetlight replacement program for another eight councils.

Over the last 12 months WSROC has also delivered collective advocacy on issues relating to public lighting (including maintenance negotiations, AER pricing review and the NSW Public Lighting Code), as well as regular forums and workshops relating to streetlighting (collaboration between councils and Endeavour Energy) and energy efficiency more broadly. Forums allow for information sharing, benchmarking and program development.

Western Sydney Energy Program

Building on the Light Years Ahead Energy Efficiency Initiative, the Western Sydney Energy Program, which will run 2 years, commenced in February 2019 and is funded by participating councils through a special, for purpose contribution. Participating councils will scope and direct the program through a Steering Committee.

The aim of this program is to continue to assist councils achieve their emission reduction targets through strategic collaborative projects, such as:

- Continuation of the LED Street Lighting Upgrades. Assist councils with replacing their remaining residential streetlights to LEDs and exploring Smart Control technology options.
- Renewable Energy Program. Scoping opportunities to install significant levels of renewable energy within Western Sydney. Including leveraging council sites to install solar systems and foster collaboration with community organisations.
- Building Energy Efficiency. Scope and deliver energy efficiency opportunities for council facilities. (e.g. improving heating and cooling systems, LED lighting in buildings, etc.)
- Low Income Energy Program. Identify opportunities to support low-income householders with reducing their energy bills.

A Steering Committee is in place to provide strategic direction, guidance, set priorities and assist in developing a work plan. Members of the Steering Committee were appointed by the participating Councils' General Managers / Chief Executive Officers.

Turn Down the Heat Strategy

Urban heat has been identified as a significant issue for a growing Western Sydney – causing major liveability and resilience problems that impact human health, infrastructure, emergency services and the natural environment.

In 2018/2019, WSROC worked with over 180 stakeholders from 50 organisations to develop the Turn Down the Heat; Western Sydney's first, comprehensive, multi-sector strategy for tackling urban heat. The Strategy lays out a five-year framework for a greener, cooler, more liveable and resilient future. This includes encouraging cool urban design, expanding Sydney's blue and green grids, building community resilience and preparing for extreme heat events, and building the resilience of our city's infrastructure.

Launched in December 2018, the Strategy's implementation will be guided by a steering committee made up of representatives from WSROC, Western Sydney University, Western Sydney Local Health District, Greater Sydney Commission, Resilient Sydney, Department of Planning, and the Office of Environment and Heritage.

In 2018/19 WSROC collaborated with NSROC to assist member councils deliver on the region's urban heat objectives through the Local Environment Plan review process and development of the Local Strategic Planning Statements. In June 2019, WSROC was successful in securing a $108,000 grant from the Office of Environment and Heritage to progress broader delivery of the Strategy.

Western Sydney Energy Program

The program, which will run 2 years, commenced in February 2019 and is funded by participating councils through a special, for purpose contribution. Participating councils will scope and direct the program through a Steering Committee.

The aim of the energy efficiency program is to continue to assist councils achieve their emission reduction targets through strategic collaborative projects, such as:

- Continuation of the LED Street Lighting Upgrades. Assist councils with replacing their remaining residential streetlights to LEDs.
- Renewable Energy Program. Scoping opportunities to install significant levels of renewable energy within Western Sydney. Including leveraging council sites to install solar systems and collaboration with community organisations.
- Building Energy Efficiency. Scope and deliver energy efficiency opportunities for council facilities. (e.g. improving heating and cooling systems, LED lighting in buildings, etc.)
- Low Income Energy Program. Identify opportunities to support low-income householders with reducing their energy bills.

A Steering Committee is in place to provide strategic direction, guidance, set priorities and assist in developing a work plan. Members of the Steering Committee were appointed by the participating Councils' General Managers / Chief Executive Officers.

Procurement

WSROC has continued its strategic approach to regional procurement in 2018/2019. Over the last 12 months, WSROC member councils have utilised a collaborative procurement model to better leverage WSROC's spending power on Local Government Procurement and key regional contracts, including HR Permanent & Temp Placements, traffic management services and signage, office supplies, asphalt, fuel and electricity which have provided significant savings.

WSROC Membership

On the 4th May 2017 Penrith City Council formally advised WSROC Ltd that they would cease being a member beyond 2017/18. Accordingly, from the 1st July 2018 Penrith City Council ceased its membership in WSROC.

However, on the 27th April 2018 Lithgow City Council wrote to WSROC seeking membership, which was accepted by the WSROC Board at its meeting on the 21st June 2018. On the 23rd July 2018, Lithgow City Council formally resolved to accept the invitation from WSROC for membership, and accordingly were invited and attended the 23rd August 2018 WSROC Board Meeting.

Membership of WSROC by Lithgow City Council as a full member, was approved and the Constitution amended to recognise member Councils that have less than 40,000 residents (Tier 2 Council) with a base membership fee set at 50% of the full base (Tier 1 Council) membership fee per annum. Accordingly, Lithgow City Council is the inaugural Tier 2 Member of WSROC.

Tier 2 members enjoy the full rights and obligations of Tier 1 members, with the exception of having 1 Vote instead of 2 at Board Meetings.

DIRECTORS' REPORT

Information on directors

Cr Barry Calvert	Hawkesbury City Council
Local Government Experience	20 years
Special responsibilities	President
Profession	Mayor
Cr George Campbell	Cumberland Council
Local Government Experience	10 years
Special responsibilities	Senior Vice President
Profession	Retired
Cr Don McGregor	Blue Mountains City Council
Local Government Experience	7 years
Special responsibilities	Junior Vice President
Profession	Retired
Cr Karress Rhodes	Liverpool City Council
Local Government Experience	3 years
Special responsibilities	Treasurer
Profession	Graphic Artist / Publisher
Cr Chris Quilkey	Blacktown City Council
Local Government Experience	4 years
Cr Kathie Collins OAM	Blacktown City Council (Alternate)
Local Government Experience	18 years
Profession	Retired (previously Librarian)
Cr Mick Fell	Blue Mountains City Council
Local Government Experience	7 years
Profession	Retired
Cr Kevin Schreiber	Blue Mountains City Council (Alternate)
Local Government Experience	24 years
Profession	Retired
Cr Ramola Hollywood	Blue Mountains City Council (Alternate)
Local Government Experience	7 years
Profession	Senior Project Officer
Cr Paul Garrard	Cumberland Council
Local Government Experience	43 years
Profession	Self-employed

Information on directors (Continued)

Cr Frank Carbone	Fairfield City Council
Local Government Experience	11 years
Profession	Mayor
Cr Adrian Wong	Fairfield City Council
Local Government Experience	3 years
Profession	Australian Public Servant
Cr Anita Kazi	Fairfield City Council (Alternate)
Local Government Experience	3 years
Profession	Councillor
Cr Sera Yilmaz	Fairfield City Council (Alternate)
Local Government Experience	3 years
Profession	Councillor
Cr Nathan Zamprogno	Hawkesbury City Council
Local Government Experience	3 years
Profession	High School Teacher
Cr Ray Thompson	Lithgow City Council
Local Government Experience	11 years
Profession	Mayor (Retired)
Cr Wayne McAndrew	Lithgow City Council (Alternate)
Local Government Experience	15 years
Profession	Retired
Cr Gus Balloot	Liverpool City Council (Alternate)
Local Government Experience	7 years
Profession	Menswear
Cr Andrew Wilson	City of Parramatta Council
Local Government Experience	19 years
Profession	Lord Mayor
Cr Michelle Garrard	City of Parramatta Council
Local Government Experience	2 years
Profession	Federal Officer
Cr Lorraine Wearne	City of Parramatta (Alternate)
Local Government Experience	24 years
Profession	Solicitor

DIRECTORS' REPORT

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Cr Barry Calvert	4	4
Cr George Campbell	4	4
Cr Don McGregor	4	4
Cr Karress Rhodes	4	3
Cr Chris Quilkey	4	4
Cr Kathie Collins OAM	4	1
Cr Mick Fell	4	4
Cr Kevin Schreiber	4	-
Cr Ramola Hollywood	4	-
Cr Paul Garrard	4	3
Cr Frank Carbone	4	1
Cr Adrian Wong	4	-
Cr Anita Kazi	4	1
Cr Sera Yilmaz	4	1
Cr Nathan Zamprogno	4	3
Cr Ray Thompson	4	3
Cr Wayne McAndrew	4	4
Cr Gus Balloot	4	-
Cr Andrew Wilson	4	1
Cr Michelle Garrard	1	1
Cr Lorraine Wearne	1	-

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is $80.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

DIRECTORS' REPORT

Signed in accordance with a resolution of the board of directors.

Director:

Barry Calvert (President)

Director:

George Campbell (Senior Vice President)

Dated this 22nd day of August 2019

PITCHER PARTNERS

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED

In relation to the independent audit for the year ended 30 June 2019, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

CARL MILLINGTON

Partner

PITCHER PARTNERS

Sydney

Date: 22 August 2019

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		$	$
Revenue and other income			
Revenue	2	3,023,220	3,611,599
		3,023,220	3,611,599
Less: expenses			
Communications and media		(44,012)	(23,038)
Conferences and functions		(18,238)	(4,718)
Consultant and research		(12,960)	(66,760)
Depreciation and amortisation expenses		(20,284)	(8,554)
Employee benefits		(790,142)	(751,843)
Lease and occupancy expenses		(88,220)	(53,988)
Membership subscriptions		(12,234)	(16,971)
Project expense		(1,447,565)	(2,153,969)
Procurement		(10,825)	(16,575)
Other expenses		(139,608)	(120,824)
		(2,584,088)	(3,217,240)
Surplus/ (deficit) for the year		439,132	394,359
Other comprehensive income for the year		-	-
Total comprehensive income		439,132	394,359

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	3	2,378,491	1,894,663
Receivables	4	388,286	343,517
Other assets	6	15,286	20,624
Total current assets		2,782,063	2,258,804
Non-current assets			
Property, plant and equipment	5	80,466	46,882
Total non-current assets		80,466	46,882
Total assets		2,862,529	2,305,686
Current liabilities			
Payables	7	19,626	1,025
Provisions	8	360,596	216,722
Total current liabilities		380,222	217,747
Non-current liabilities			
Provisions	8	32,115	76,879
Total non-current liabilities		32,115	76,879
Total liabilities		412,337	294,626
Net assets		2,450,192	2,011,060
Equity			
Retained earnings	9	2,450,192	2,011,060
Total equity		2,450,192	2,011,060

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Total equity			
Balance at beginning of the year		2,011,060	1,616,701
Movements in equity from:			
Retained earnings		439,132	394,359
Balance at the end of the year		2,450,192	2,011,060
Retained earnings			
Balance at beginning of the year		2,011,060	1,616,701
Surplus / (deficit) for the year		439,132	394,359
Total comprehensive income		439,132	394,359
Balance at the end of the year		2,450,192	2,011,060

The accompanying notes form part of these financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flow from operating activities			
Receipts from customers		3,225,187	3,804,454
Payments to suppliers and employees		(2,703,993)	(3,273,202)
Interest received		20,419	16,138
Net cash provided by operating activities		541,613	547,390
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	1,318
Payment for property, plant and equipment		(57,785)	(36,156)
Net cash (used in) investing activities		(57,785)	(34,838)
Reconciliation of cash			
Cash at beginning of the financial year		1,894,663	1,382,111
Net increase in cash held		483,828	512,552
Cash at end of financial year	11(a)	2,378,491	1,894,663

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Corporations Act 2001*.

The financial report covers WSROC as an individual entity. WSROC is a company limited by guarantee, incorporated and domiciled in Australia. WSROC is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110:	Events after the Balance Sheet Date
AASB 1054:	Australian Additional Disclosures

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

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention as described in the accounting policies.

(b) Revenue from contracts with customers

The company derives revenue from membership contribution, procurement commission and miscellaneous other income. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest revenue is measured in accordance with the effective interest method.

(c) Contributions - Government Grants

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant, and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

(d) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(f) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured at cost. Where plant and equipment were acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Provisions

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

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(h) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

	2019	2018
	$	$

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and services tax (GST)

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

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

(j) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE AND OTHER INCOME

Operational revenue		
Council membership fee	660,000	680,000
Procurement commission	469,560	309,491
	1,129,560	989,491
Other revenue		
Interest income	20,419	17,286
Other revenue	50,103	79,584
	70,522	96,870
Grant and subsidies	1,823,137	2,525,238
	3,023,220	3,611,599

	2019 $	2018 $
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash on hand	100	100
Cash at bank	2,378,391	1,894,563
	2,378,491	1,894,663

Government grants are obtained by WSROC on the condition that they are spent in a specified manner in accordance with the related funding agreements. As a consequence, a portion of WSROC's cash is restricted based on the grant monies received and related project expenditures incurred.

Unexpended grants at 30 June 2019 total $1,457,019 (2018: 1,106,686). This total is primarily made up of cash assets related to ongoing NSW Environmental Protection Authority programs, as follows:
- Waste Less, Recycle More
- Better Waste and Recycling; and
- Light Years Ahead

NOTE 4: RECEIVABLES		
CURRENT		
Trade debtors	38,286	68,517
Other receivables	350,000	275,000
	388,286	343,517

		2019 $	2018 $
NOTE 5: PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment			
Office equipment at cost		81,572	59,109
Accumulated depreciation		(24,609)	(22,241)
		56,963	36,868
Furniture, fixtures and fittings at cost		20,543	8,937
Accumulated depreciation		(2,490)	(4,373)
		18,053	4,564
Other capital assets including painting and art work		5,450	5,450
Total plant and equipment		80,466	46,882
Total property, plant and equipment		80,466	46,882
NOTE 6: OTHER ASSETS			
CURRENT			
Prepayments		15,286	15,794
Other current assets		-	4,830
		15,286	20,624
NOTE 7: PAYABLES			
CURRENT			
Unsecured liabilities			
Sundry creditors and accruals		19,626	1,025
NOTE 8: PROVISIONS			
CURRENT			
Employee benefits	(a)	360,596	216,722
NON-CURRENT			
Employee benefits	(a)	32,115	76,879
(a) Aggregate employee benefits liability		392,711	293,601

	2019	2018
	$	$

NOTE 8: PROVISIONS (CONTINUED)

(b) Description of provisions

Employee benefit provisions relate to annual and long service leave entitlements estimated for employees of the company as at 30 June 2019.

NOTE 9: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	100	100
Cash at bank	2,378,391	1,894,563
	2,378,491	1,894,663

NOTE 10: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is $80.

NOTE 11: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of these new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16 will replace AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

    i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or

    ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

The application of AASB 16 is not expected to have a material impact on the company's financial statements.

AASB 1058: Income of Not-for-Profit Entities, AASB 2016-7: Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities and AASB 2016-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer if the agreement:

(a) creates enforceable rights and obligations between the parties; and

(b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer, the inflows are accounted for in accordance with AASB 1058, which requires:

(a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard; and

(b) any difference between the consideration given for the asset and its fair value to be recognised in accordance with its substance (such as a contract liability, a financial instrument and/or a contribution by owners), and any residual amount recognised as income.

However, AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. Electing to initially measure such right-of-use assets at cost rather than fair value has the corresponding effect of reducing the amount of income recognised by the entity under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

The application of AASB 1058 is not expected to have a material impact on the company's financial statements.

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes, as set out on pages 10 - 22, are in accordance with the *Corporations Act 2001*, including:

   (a) complying with Accounting Standards in Australia as detailed in Note 1 to the financial statements and the *Corporations Regulations 2001*; and

   (b) giving a true and fair view of the financial position as at 30 June 2019 and performance for the year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____

Barry Calvert (President)

Director: _____

George Campbell (Senior Vice President)

Dated this 22nd day of August 2019

PITCHER PARTNERS

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report of Western Sydney Regional Organisation of Councils Limited, "the Company", which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Western Sydney Regional Organisation of Councils Limited, is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Western Sydney Regional Organisation of Councils Limited to meet the requirements of *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CARL MILLINGTON

Partner

PITCHER PARTNERS

Sydney

Date 22 August 2019

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WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2019 FINANCIAL STATEMENTS

	2019 $	2018 $
Income		
Council membership contributions	660,000	680,000
Procurement commission	469,560	309,491
Interest income	20,419	16,138
Other revenue	50,103	79,584
Subsidies and grants received	1,823,137	2,526,386
Total income	3,023,219	3,611,599
Less expenses		
Professional fees	35,250	23,400
Administration costs	22,570	20,015
Advertising	42,172	74,945
Audit fees	12,500	14,516
Bank charges	1,229	1,450
Cleaning	6,813	7,811
Computer expenses	14,749	14,234
Consultancy fees	264,107	266,187
Consumables	794,884	1,494,502
Conferences / Seminars	18,238	5,935
Depreciation	20,284	8,554
General expenses	6,622	2,120
Holiday pay	99,110	123,164
Insurance	12,894	17,197
Leasing charges	2,106	3,609
Legal costs	-	372
Magazines, journals and periodicals	4,578	2,266
Meeting expenses	3,213	4,413
Operating expenses	23,777	-
Postage	1,639	22,243
Printing and stationery	23,415	825
Rent	86,114	11,519
Repairs and maintenance	108	50,378
Salaries and wages	965,742	922,911
Staff training and welfare	3,800	70
Storage fees	2,178	2,171
Subscriptions	12,234	16,971

WESTERN SYDNEY REGIONAL ORGANISATION OF COUNCILS LIMITED
ABN: 16 053 399 983

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2019 FINANCIAL STATEMENTS

	2019 $	2018 $
Superannuation	12,967	85,654
Telephone	12,967	17,510
Travelling expenses incl. tolls and parking	2,130	2,298
Total expenses	2,584,088	3,217,240
Operating profit from continuing activities	439,131	394,359