Western Sydney Regional Organisation of Councils Limited

ABN 16 053 399 983

Financial Statements
For the Year Ended 30 June 2021

Western Sydney Regional Organisation of Councils Limited
Directors' Report
For the Financial Year Ended 30 June 2021

The directors present their report together with the financial report of Western Sydney Regional Organisation of Councils Limited for the year ended 30 June 2021 and auditor's report thereon. This financial report has been prepared in accordance with the Australian Accounting Standards, giving a true and fair view of the financial position and performance for the year ended 30 June 2021.

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Deliver advocacy programs to advance WSROC strategic priorities to all levels of government.
- Identify and harness opportunities for regional collaboration where beneficial for its members.
- Successfully deliver approved outcomes of externally funded grant programs.
- Facilitate collaborative procurement opportunities for the member councils.

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 delivery of 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 facilitate collaboration and inform regional advocacy.
- Seek and examine opportunities for procurement collaboration through the sharing of information and services for member councils and obtaining rebates with prescribed procurement aggregators.
- Build a strong media and advocacy program to elevate issues of collective importance to the region.
- Work collaboratively with government agencies and other regional stakeholders to achieve WSROC strategic priorities and approved grant-funded programs.

Western Sydney Regional Organisation of Councils Limited
Directors' Report
For the Financial Year Ended 30 June 2021

Principal activities
In the 2020/2021 financial year, WSROC's Board of Directors approved the following priorities for the organisation.

2020/2021 WSROC Strategic Priorities	
1.	**Regional advocacy program:** • Accelerate delivery of Greater Western Sydney Transport Network; • Returning the NSW Waste Levy to local government; • Improve funding arrangements to support social Infrastructure delivery and liveability; and • Constitutional recognition for local government.
2.	**Regional procurement collaboration**
3.	**Deliver Western Sydney Regional Waste Avoidance and Resource Recovery Strategy (2019 – 2021)**
4.	**Deliver Turn Down the Heat Strategy and Action Plan 2018**
5.	**Deliver Western Sydney Energy Program 2019 - 2022**
6.	**Support delivery of the Great West Walk**
7.	**Economic development**
8.	**Smart Digital City**

Over the past 12 months, WSROC has focused its advocacy on priority issues identified by its members (outlined above). However, the changing nature of the public sector requires flexibility in responding to new challenges. As such, in addition to the above, WSROC has conducted advocacy on a number of additional issues related to the COVID-19 pandemic, support for local government emergency management, sustainable energy initiatives - including EV transition and opportunities for location of a manufacturing hub in the region, infrastructure that supports liveability, better resource recovery support for councils and accessible, interconnected regional transport networks.

Key performance indicators and achievements
WSROC's performance for 2020/2021 is measured by the outcomes achieved in relation to its advocacy on behalf of the needs of Western Sydney as outlined below:

1. *Regional advocacy program:*
In doing so the organisation has made 13 submissions to state and federal government, wrote 20 letters to state and federal Ministers, hosted 48 forums on issues requiring regional collaboration, and delivered online facilitation training for professional development. Publicly, the organisation has generated 82 media articles equating to over 25 million potential impressions.

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

Key performance indicators and achievements (continued)

2. Regional procurement program

WSROC has continued its strategic approach to regional procurement in 2020/2021. WSROC member councils have utilised a collaborative procurement model to better leverage WSROC's spending power on Local Government Procurement and key regional contracts. This has led to underutilised categories being identified, along with high value contracts, for Request for Quote purposes via VendorPanel, in order achieve more competitive pricing arrangements.

In addition, WSROC has facilitated opportunities for innovation and the development of new environmentally sustainable contracts including the engagement of professional services to scope, manage and deliver a regional energy efficiency and sustainability program (the Western Sydney Energy Program) on behalf of a collective of participating Western Sydney councils. The aim of the program is to increase opportunities for energy, cost and emission savings for councils and their communities, the focus areas being Renewable Energy, Transportation, Supporting Our Community and Facilities & Precincts.

Under the Western Sydney Energy program (WSEP), WSROC and several Councils were working to procure renewable energy for council operations via a Wholesale Power Purchase Agreement (PPA). However, OLG maintain it is a financial derivative and hence not allowable under the 2011 Ministerial Investment Order (MIO). As a result, some Councils will be participating in the Local Government Procurement (LGP) Request for Tender (RFT) for Supply of Electricity (Renewable Power & Firming Load) with other NSW Councils, while others will be pursuing another path.

3. Western Sydney Regional Waste Avoidance and Resource Recovery Strategy (2017 – 2021)

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 circular economy, NSW 20 Year Waste strategy, MWOO policy changes and a range of regional waste planning issues. It also delivered professional forums and resources for waste officers, regional campaigns targeting litter and single-use coffee cups, and collaborative research projects including a Greater Western Sydney infrastructure needs analysis, developing strata by-law templates for waste management and undertaking audits of various medium and high-density residential dwellings to assess current waste generation levels.

4. Turn Down the Heat Strategy and Action Plan

In 2020/21 WSROC continued implementation of its Turn Down the Heat Strategy; Western Sydney's first, comprehensive, multi-sector strategy for tackling urban heat. Developed in partnership with 180 stakeholders, the Strategy lays out a five-year framework for a greener, cooler, more liveable and resilient future. WSROC secured a further $155,272.73 funding for Strategy delivery in 2020/2021.

Key performance indicators and achievements (continued)

Projects in progress during 2020/2021 included:

- **Cool Suburbs Tool**: A voluntary design-support tool to identify the most appropriate urban heat interventions for existing and new developments. The tool is designed for industry use; however, governments can also incorporate the tool in planning controls or design guidelines as desired.

- **Urban Heat Planning Toolkit**: Assists councils integrate best practice heat mitigation into planning policy and development controls. The toolkit identifies various design measures to reduce urban heat, identifies how each measure works, summarises key evidence, and notes limitations. Several case studies are included.

- **Heat Smart Western Sydney**: A program to improve risk awareness, adaptive capacity, and preparedness for heatwaves in Western Sydney. This will include: reviewing current emergency management policies and procedures, and delivering community capacity building activities including resources and workshops for community organisations and vulnerable groups.

- **Climate Resilient Street Trees**: This project will test climate resilience and cooling benefits of various street tree species at demonstration sites across the Penrith and Blacktown Local Government Areas. Each test species will be planted with and without passive irrigation storage pits. This project is delivered in partnership with Western Sydney University, Melbourne University, Sydney Water and Stormwater NSW.

5. *Western Sydney Energy Program*

The Western Sydney Energy Program is a collaboration between nine Western Sydney councils. The program commenced in February 2019 and is now into its third year, funded by participating councils through a special, for purpose contribution. 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.

WSEP aims to increase opportunities for energy, cost, and emission savings for councils and their communities across four key areas:

- **Renewable energy:** Installation of low cost, low emission energy generation and storage.

  Project underway: Deliver regional Power Purchase Agreement (PPA) by exploring wholesale and retail options, including for Local Government Procurement (LGP) to issue a Request for Tender (RFT) for Supply of Electricity (Renewable Power & Firming Load) on behalf of participating NSW Councils.

  Project completed: Installation of 950kwh solar behind the meter

- **Transport:** Transport infrastructure that enables an innovative and low emissions future.

  Project underway: WSROC is working with the WSEP Steering Committee to scope and deliver a regional EV Roadmap/infrastructure strategy.

Key performance indicators and achievements (continued)

- **Community**: Helping the community access services to reduce energy costs.

  Project underway: Deliver the Business Energy Advice Program (beap). This partnership between WSROC and Business Australia offers free and tailored support to small businesses to save money and emissions.

- **Facilities and precincts**: Implementing best practice in energy planning and design for key precincts and facilities.

  Project underway: Continue street lighting program: Replace an additional 21,000 streetlights across the region. Partner with NSW Department of Planning Industry and Environment (DPIE) to scope and deliver main roads and smart lighting projects.

  Project underway: Deliver Environmentally Sustainable Development (ESD) standards policy and equipment specifications. Assist councils with integrating ESD in planning policy.

- **Aspiration**: Deliver an additional 200,000 tonnes of CO2e reductions pa.

- **Achievements to date**: Accumulated Council savings across all participating councils to date is $15.8M. Overall greenhouse savings across the life of the assets of over 320,000 tonnes.

6. Great West Walk

The Great West Walk (GWW) is a 65km walking route stretching from Parramatta to the foot of the Blue Mountains. Developed by community group, The Walking Volunteers, WSROC facilitated the delivery of the Great West Walk by convening meetings between partner organisations: Blacktown City Council, City of Parramatta, Penrith City Council, Western Sydney Parklands Trust, Department of Planning, Industry and Environment, and National Parks and Wildlife Service. The walk was launched in October 2019. In May 2021, Minister for Planning and Public Spaces, the Hon. Rob Stokes, announced funding to enhance the GWW with 26,000 new trees to be planted in partnership with Greening Australia and Landcare.

7. Emergency Management: Bushfire and Covid-19 response.

In 2020-2021, WSROC took on a new priority to ensure councils and their communities are appropriately supported through the COVID-19 pandemic and ensuing recovery period, and to advocate for improved emergency management arrangements more broadly.

WSROC has been advocating, by way of letters, meetings and media, that COVID-19 support packages be extended to councils and greater support, resourcing and training is delivered to support local government in its emergency management obligations.

WSROC Membership

On 24 December 2020 the City of Parramatta formally advised WSROC Ltd that they would cease being a member beyond 2020/2021. Cumberland City Council at the 16 December 2021 Council Meeting considered a Notice of Rescission not to leave WSROC. However, it was lost on the casting vote of the Mayor and a formal notification of departure followed on the 24 December 2020. Accordingly, from the 1 July 2021 both Cumberland City and the City of Parramatta Councils ceased their membership in WSROC.

WSROC Membership (continued)

The WSROC Ltd Constitution recognises 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 only Tier 2 Member of WSROC and enjoys the full rights and obligations of Tier 1 members, except for having 1 Vote instead of 2 at Board Meetings.

Information on directors

Cr Barry Calvert	Hawkesbury City Council
Local Government Experience	22 years
Special responsibilities	President
Profession	Councillor
Cr Tony Bleasdale	Blacktown City Council
Local Government Experience	21 years
Special responsibilities	Senior Vice President
Profession	Mayor
Cr Don McGregor	Blue Mountain City Council
Local Government Experience	9 years
Special responsibilities	Junior Vice President
Profession	Retired
Cr Karress Rhodes	Liverpool City Council
Local Government Experience	5 years
Special responsibilities	Treasurer
Profession	Graphic Artist / Publisher
Cr Chris Quilkey	Blacktown City Council
Local Government Experience	4 years
Profession	Taxi Operator
Cr Kathie Collins OAM	Blacktown City Council (Alternate)
Local Government Experience	20 years
Profession	Retired
Cr Mick Fell	Blue Mountains City Council
Local Government Experience	9 years
Profession	Retired
Cr Kevin Schreiber	Blue Mountains City Council (Alternate)
Local Government Experience	26 years
Profession	Retired
Cr Ramola Hollywood	Blue Mountains City Council (Alternate)
Local Government Experience	9 years
Profession	Senior Project Officer

Information on directors (continued)

Cr Steve Christou	Cumberland City Council
Local Government Experience	3 years
Profession	Mayor
Cr Paul Garrard	Cumberland City Council
Local Government Experience	46 years
Profession	Self-employed
Cr Nathan Zamprogno	Hawkesbury City Council
Local Government Experience	5 years
Profession	High School Teacher
Cr Ray Thompson	Lithgow City Council
Local Government Experience	13 years
Profession	Mayor (Retired)
Cr Wayne McAndrew	Lithgow City Council (Alternate)
Local Government Experience	17 years
Profession	Deputy Mayor
Cr Gus Balloot	Liverpool City Council
Local Government Experience	9 years
Profession	Menswear
Cr Charishma Kaliyanda	Liverpool City Council (Alternate)
Local Government Experience	5 years
Profession	Councillor
Cr Peter Harle	Liverpool City Council (Alternate)
Local Government Experience	13 years
Profession	Councillor
Cr Andrew Wilson	City of Parramatta Council
Local Government Experience	21 years
Profession	Councillor
Cr Michelle Garrard	City of Parramatta Council
Local Government Experience	4 years
Profession	Federal Officer
Cr Lorraine Wearne	City of Parramatta (Alternate)
Local Government Experience	26 years
Profession	Solicitor

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Cr Barry Calvert	3	3
Cr Tony Bleasdale	3	1
Cr Don McGregor	3	3
Cr Karress Rhodes	3	3
Cr Chris Quilkey	3	3
Cr Kathie Collins OAM *(Alternate)*	3	2
Cr Mick Fell	3	2
Cr Kevin Schreiber *(Alternate)*	3	0
Cr Ramola Hollywood *(Alternate)*	3	0
Cr Steve Christou	3	0
Cr Paul Garrard	3	0
Cr Nathan Zamprogno	3	3
Cr Ray Thompson	3	3
Cr Wayne McAndrew	3	2
Cr Gus Ballot	3	0
Cr Charishma Kaliyanda *(Alternate)*	3	1
Cr Peter Harle *(Alternate)*	3	1
Cr Andrew Wilson	3	1
Cr Michelle Garrard	3	0
Cr Lorraine Wearne *(Alternate)*	3	0
*Cr Steve Ring**	1	1

**No longer a WSROC Board Director due to election of another Deputy Mayor at Lithgow City Council*

*** The WSROC Board of Directors Meeting to be held on 25 February 2021 did not proceed due to lack of quorum, as a result no Board Directors attending this meeting. ***

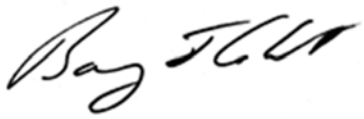
Members guarantee

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. As at 30 June 2021 the number of members was 7. The combined total amount that members of the company are liable to contribute if the company is wound up is $70.

Western Sydney Regional Organisation of Councils Limited
Directors' Report
For the Financial Year Ended 30 June 2021

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.

Signed on behalf of the board of directors.



Barry Calvert
President
19 August 2021
Sydney, New South Wales

Tony Bleasdale
Senior Vice President
19 August 2021
Sydney, New South Wales

SDJ Audit Pty Ltd t/a SDJA
ABN: 11 624 245 334
P: PO Box 324
West Pennant Hills NSW 2125
M: 0428 074 081
E: simon@sdja.com.au
W: www.sdja.com.au

Western Sydney Regional Organisation of Councils Limited
Auditor's Independence Declaration to the Board of Directors of Western Sydney Regional Organisation of Councils Limited
For the Financial Year Ended 30 June 2021

In accordance with the requirements of the *Corporations Act 2001*, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

SDJA

SDJA

Simon Joyce
Director
25 November 2021
Sydney, New South Wales

Western Sydney Regional Organisation of Councils Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2021

	Notes	2021 $	2020 $
Revenue			
Revenue from contracts with customers	4	2,278,678	2,432,356
Other income	4	197,568	55,044
Total revenue		**2,476,246**	**2,487,400**
Expenses			
Communications and media		(34,401)	(30,489)
Conferences and functions		-	(2,146)
Consultant and research		-	(251)
Depreciation		(89,183)	(88,911)
Interest expense		(8,577)	(11,539)
Employee benefits		(832,273)	(847,051)
Lease and occupancy		(29,701)	(18,343)
Membership subscriptions		(5,116)	(5,769)
Project costs		(1,162,242)	(1,157,898)
Procurement		-	(8,000)
Other expenses		(86,608)	(93,599)
Total expenses		**(2,248,101)**	**(2,263,996)**
Net surplus for the year		**228,145**	**223,404**
Income tax expense		-	-
Surplus after income tax		**228,145**	**223,404**
Other comprehensive income		**-**	**-**
Total comprehensive income		**228,145**	**223,404**

The accompanying notes form part of these financial statements.

Western Sydney Regional Organisation of Councils Limited
Statement of Financial Position
As at 30 June 2021

	Notes	2021 $	2020 $
Assets			
Current			
Cash and cash equivalents	5	2,684,714	2,653,320
Trade and other receivables	6	592,580	363,090
Other assets	7	8,442	16,272
Current assets		**3,285,736**	**3,032,682**
Non-current			
Property, plant and equipment	8	182,482	271,665
Non-current assets		**182,482**	**271,665**
Total assets		**3,468,218**	**3,304,347**
Liabilities			
Current			
Trade and other payables	9	49,364	40,481
Provisions	10	356,052	330,142
Other liabilties	11	70,409	65,368
Current liabilities		**475,825**	**435,991**
Non-current			
Provisions	10	8,426	42,125
Other liabilties	11	82,226	152,635
Non-current liabilities		**90,652**	**194,760**
Total liabilities		**566,477**	**630,751**
Net assets		**2,901,741**	**2,673,596**
Equity			
Accumulated funds		1,465,923	2,673,596
Reserves		1,435,818	-
Total equity		**2,901,741**	**2,673,596**

The accompanying notes form part of these financial statements.

Western Sydney Regional Organisation of Councils Limited
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

	Notes	Accumulated Funds $	Reserves $	Total Equity $
Balance at 1 July 2019		2,450,192	-	**2,450,192**
Surplus for the year		223,404	-	**223,404**
Other comprehensive income		-	-	**-**
Total comprehensive income		223,404	-	**223,404**
Balance at 30 June 2020		2,673,596	-	**2,673,596**
Balance at 1 July 2020		2,673,596	-	**2,673,596**
Surplus for the year		228,145	-	**228,145**
Other comprehensive income		-	-	**-**
Total comprehensive income		228,145	-	**228,145**
Transfer (from)/to reserves	5	(1,435,818)	1,435,818	**-**
Balance at 30 June 2021		**1,465,923**	**1,435,818**	**2,901,741**

The accompanying notes form part of these financial statements.

Western Sydney Regional Organisation of Councils Limited
Statement of Cash Flows
For the Financial Year Ended 30 June 2021

	Notes	2021	2020
		$	$
Cash flows from operating activities			
Receipts from customers		2,383,845	2,664,362
Receipts from government stimulus		100,000	-
Payments to suppliers and employees		(2,378,993)	(2,323,235)
Interest received		487	7,347
Net cash provided by operating activities		**105,339**	**348,474**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(1,504)
Net cash used in investing activities		**-**	**(1,504)**
Cash flows from financing activities			
Lease payments		(65,368)	(60,602)
Interest paid		(8,577)	(11,539)
Net cash used in financing activities		**(73,945)**	**(72,141)**
Net change in cash and cash equivalents		**31,394**	**274,829**
Cash and cash equivalents at beginning of financial year	5	2,653,320	2,378,491
Cash and cash equivalents at end of financial year	5	**2,684,714**	**2,653,320**

The accompanying notes form part of these financial statements.

Western Sydney Regional Organisation of Councils Limited
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

1. General information

The financial statements cover Western Sydney Regional Organisation of Councils Limited, an entity incorporated in Australia. In the opinion of the directors, the entity is not publicly accountable. The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the *Corporations Regulations 2001*. The company is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Principal place of business is Level 2, Suite 201, 75 Flushcombe Road, Blacktown, NSW, 2148.

The financial report was authorised for issue by the Board of Directors on19 August 2021.

With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements
A number of revised standards became effective for the first time to annual periods beginning on or after 1 January 2020. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the entity
A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Board of Directors is currently assessing the impact such standards will have on the entity.

3. Summary of significant accounting policies

Financial reporting framework
The general purpose financial statements of the entity have been prepared in accordance with the requirements of the *Corporations Act 2001.*

Statement of compliance
The general purpose financial statements of the entity have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

Basis of preparation
The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Revenue from contracts with customers
Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue
For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

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

Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Income tax
No provision for income tax has been raised as the entity has self-assessed as being exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Cash and cash equivalents
Cash on hand equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected losses. Trade receivables are generally due for settlement within 30 days.

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

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount recognised either in profit or loss.

Depreciation
The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Office equipment	8-10%
Furniture, fixtures and fittings	10-12%

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

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

Impairment of assets
At the end of each reporting period the entity determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Financial instruments
Financial instruments are recognised initially using trade date accounting, i.e. on the date that the entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial instruments
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets
Contract assets and receivables
A contract asset is recognised when the entity's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the entity's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

Financial assets at amortised cost
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The entity's financial assets at amortised cost includes trade and other receivables.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables, and lease liabilities.

Financial liabilities at amortised cost
After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Trade and other payables
These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Goods and services tax (GST)
Revenue, 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).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Leases
The entity assesses at contract inception whether a contract is, or contains, a lease.

As a lessee
The entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Land and buildings	**Lease term**	Lease term

The right-of-use assets are also subject to impairment.

Lease liabilities
At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

Short-term leases and leases of low-value assets
The entity's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Comparative figures
Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Significant management judgement in applying accounting policies
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Receivables
The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for expected credit losses is included, where applicable, for any receivable where the entire balance is not considered collectible. The allowance for expected credit losses is based on the best information at the reporting date.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Long service leave
The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2021 $	2020 $
4. Revenue		
Council membership fee	585,000	675,000
Procurement commission	515,728	455,833
Grant and subsidies	1,177,950	1,301,523
	2,278,678	**2,432,356**
Other income		
Cash Flow Boost	100,000	-
Interest income	487	7,347
Other revenue	97,081	47,697
	197,568	**55,044**
5. Cash and cash equivalents		
Cash on hand	100	100
Cash at bank	2,684,614	2,653,220
	2,684,714	**2,653,320**

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

The entity has created a reserve in equity, to account for these unexpended grants. As at 30 June 2021, the unexpended grants totalled $1,435,818 (2020: $1,485,638). 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
- Turn Down the Heat; and
- Light Years Ahead

	2021 $	2020 $
6. Trade and other receivables		
Current		
Trade receivables	192,580	13,090
Other receivables	400,000	350,000
	592,580	**363,090**
7. Other assets		
Current		
Prepayments	8,442	16,272
	8,442	**16,272**

	2021 $	2020 $
8. Property, plant and equipment		
Office equipment at cost	75,597	83,078
Office equipment accumulated depreciation	(54,654)	(43,236)
	20,943	**39,842**
Furniture, fixtures and fittings at cost	20,543	20,543
Furniture, fixtures and fittings accumulated depreciation	(6,599)	(4,545)
	13,944	**15,998**
Right-of-use assets at cost	278,605	278,605
Right-of-use assets accumulated depreciation	(136,460)	(68,230)
	142,145	**210,375**
Other capital assets including painting and art work	5,450	5,450
Total property, plant and equipment	**182,482**	**271,665**

	Office Equipment $	Furniture, Fixtures & Fittings $	Right-of-Use Assets $
Net carrying amount 1 July 2020	39,842	15,998	210,375
Additions	-	-	-
Disposals	-	-	-
Depreciation	(18,899)	(2,054)	(68,230)
Net carrying amount 30 June 2021	**20,943**	**13,944**	**142,145**

	Other Capital Assets $	Total $
Net carrying amount 1 July 2020	5,450	**271,665**
Additions	-	**-**
Disposals	-	**-**
Depreciation	-	**(89,183)**
Net carrying amount 30 June 2021	**5,450**	**182,482**

	2021 $	2020 $
9. Trade and other payables		
Current		
Trade payables	6,285	20,397
Accrued expenses	25,592	18,895
Net GST payable	17,487	1,189
	49,364	**40,481**
10. Provisions		
Current		
Provision for employee benefits	356,052	330,142
	356,052	**330,142**
Non-current		
Employee benefits provision	8,426	42,125
	8,426	**42,125**
11. Other liabilities		
Current		
Lease liability	70,409	65,368
	70,409	**65,368**
Non-current		
Lease liability	82,226	152,635
	82,226	**152,635**

12. Members' guarantee

The entity is incorporated under the *Corporations Act 2001* and an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the entity. At 30 June 2021, there were 7 members (2020: 8 members). The combined total amount that members of the company are liable to contribute if the company is wound up is $70.

13. Commitments

The entity had no material capital commitments as at 30 June 2021 (2020: None). Long-term/high-value leases have been recognised as right-of-use assets (Note 8) and corresponding lease liabilities (Note 11). Remaining lease expenses during the year relate to short-term/low-value leases and have been expensed in the statement of profit or loss and other comprehensive income.

14. Related parties

The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

15. Contingent liabilities

There are no contingent liabilities as at 30 June 2021 (2020: None).

16. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

Western Sydney Regional Organisation of Councils Limited
Directors' Declaration
For the Financial Year Ended 30 June 2021

The directors of the company declare that in the directors' opinion:

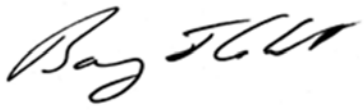
a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

b) there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001.*



Barry Calvert
President
19 August 2021
Sydney, New South Wales

Tony Bleasdale
Senior Vice President
19 August 2021
Sydney, New South Wales

SDJ Audit Pty Ltd t/a SDJA
ABN: 11 624 245 334
P: PO Box 324
West Pennant Hills NSW 2125
M: 0428 074 081
E: simon@sdja.com.au
W: www.sdja.com.au

Western Sydney Regional Organisation of Councils Limited
Independent Auditor's Report to the Members of Western Sydney Regional Organisation of Councils Limited
For the Financial Year Ended 30 June 2021

Opinion
We have audited the financial report of Western Sydney Regional Organisation of Councils Limited, which comprises the statement of financial position as at 30 June 2021, 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 financial report of Western Sydney Regional Organisation of Councils Limited has been prepared 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 2021 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon
The directors are responsible for the other information. The other information is the directors' report and the unaudited detailed profit or loss accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

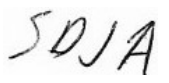
Western Sydney Regional Organisation of Councils Limited
Independent Auditor's Report to the Members of Western Sydney Regional Organisation of Councils Limited
For the Financial Year Ended 30 June 2021

Responsibilities of the Directors for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the company 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 of the company either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors of the company are responsible for overseeing the company's financial reporting process.

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 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 the financial report.

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.



SDJA

Simon Joyce
Director
25 November 2021
Sydney, New South Wales

Western Sydney Regional Organisation of Councils Limited
Unaudited Detailed Statement of Profit or Loss
For the Financial Year Ended 30 June 2021

	2021 $	2020 $
Revenue		
Council membership fee	585,000	675,000
Procurement commission	515,728	455,833
Grant and subsidies	1,177,950	1,301,523
Cash Flow Boost	100,000	-
Interest income	487	7,347
Other revenue	97,081	47,697
Total revenue	**2,476,246**	**2,487,400**
Expenses		
Professional fees	(28,082)	(28,200)
Administration costs	(83,523)	(222,005)
Advertising	(5,050)	(14,504)
Audit fees	(13,646)	(14,422)
Bank charges	(1,039)	(1,126)
Cleaning	(6,375)	(5,688)
Computer expenses	(12,989)	(13,806)
Consultancy fees	(589,844)	(379,436)
Supply & Installation costs	(75,304)	(193,655)
Conferences / Seminars	(181)	(2,198)
Depreciation	(89,183)	(88,911)
Holiday pay	7,791	20,445
Insurance	(10,560)	(10,072)
Interest expense	(8,577)	(11,539)
Magazines, journals and periodicals	(1,085)	(4,534)
Meeting expenses	(9,380)	(2,499)
Operating expenses	(7,997)	(16,666)
Postage	(14)	(332)
Printing and stationery	(18,946)	(20,066)
Rent	(29,701)	(18,343)
Salaries and wages	(1,136,161)	(1,111,140)
Staff training and welfare	-	(1,893)
Storage fees	(2,220)	(2,190)
Subscriptions	(5,116)	(5,769)
Superannuation	(110,709)	(103,978)
Telephone	(10,116)	(9,770)
Travelling expenses incl. tolls and parking	(94)	(1,699)
Total expenses	**(2,248,101)**	**(2,263,996)**
Net surplus for the year	**228,145**	**223,404**