

SSROC

Annual Report

2020



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PRESIDENT'S MESSAGE



Overview

This year the estimated resident population of our area has passed 1.7 million. What a challenge that represents to all of us who serve those people. But also an immensely rewarding job, when we pause to reflect on the huge achievements that each council makes every year as well as when we act as a group through our regional organisation.

As President of the Southern Sydney Regional Organisation of Councils (SSROC) I am proud to lead our group of councils, which continue to demonstrate collaboration, cooperation and sharing. Working together on a range of projects and services, advocacy and joint procurement we can share the benefits and financial savings and continue to be effective leaders in our communities.

My thanks to all member councils, especially the Delegates, for their support of SSROC. My fellow Executive members, Mayor of Canterbury Bankstown, Cr Khal Asfour and Deputy Mayor of Georges River, Cr Con Hindi, who have demonstrated their commitment throughout this year, adjusting to online meetings and continuing their support through this challenging time. I also thank our Secretary and Treasurer, Matthew Stewart, General Manager of Canterbury Bankstown, for his input.

SSROC's Secretariat coordinates, facilitates, and delivers many services and projects for our councils, achieving excellent results. I thank our General Manager, Namoi Dougall, for her key role in 2019 and Helen Sloan for taking on the role as Acting General Manager in the second half of the 2019-2020 financial year.

Also, I thank SSROC's staff, who have continued so productively over this challenging time, adapting quickly and well to

working remotely. They have continued to deliver support, joint procurements and a number of excellent new projects for our member councils. Thanks also to the council CEOs and General Managers and the many council officers who work together in the strong and mutually beneficial collaboration that is SSROC.

Highlights of the Year

Reflecting on the past year, I believe it will be remembered as one of the most challenging periods in our recent history. In mid 2019 we were optimistically looking forward to the year ahead and striving to achieve great things for local government but also for our communities. Then we were faced with the drought, bushfires, storms and all followed immediately by the COVID-19 pandemic. All dreadful events, with everyone affected either directly or indirectly. These impacts are likely to continue for some time yet.

I am heartened by the collective resilience and kindness we have seen in our local communities and businesses and of course our member councils. Through our joint cooperation and positive actions, we can be justifiably proud that we are faring so well.

The past six months have been particularly challenging for our councils, as we have all had to embark on new ways of communicating and continuing to deliver services, keeping our staff safe and productive and keeping our communities informed.

In spite of all the challenges, the last year saw the conclusion of the second phase of our Program for Energy and Environmental Risk Solutions (PEERS2), and addition of gas supply to the program. Both electricity and gas procurements achieved significant savings compared to market prices. The PEERS Gas contract includes 11 NSW councils and has allowed a flexible wholesale purchase agreement from the Sydney hub, and will deliver significant savings in costs for gas. SSROC is already receiving enquiries from a number of additional councils looking to participate and enjoy the financial savings of buying wholesale.

Our Street Lighting Improvement Program continues to bring savings to councils as well as better lighting for our communities. Ausgrid delivers the street lighting that councils are responsible for throughout our region and beyond. With now 29 participating councils, our program covers almost all Ausgrid's area, and has developed into a strong and influential force in the very important service of public lighting. The LED lighting accelerated roll-out project is continuing, although interrupted by the unforeseen events of 2019/20.

In our continuing efforts to improve our recovery of resources and minimise our communities' waste, every SSROC member council agreed a memorandum of understanding to prioritise recycled content in our councils' procurement. This initiative, Procure Recycled, will trigger a number of projects aimed at growing the recycling industry by changing our procurement practices. The first project, Paving the Way, has already started with the agreement of standards for the use of recycled crushed glass in our roads.

Looking Forward

Thinking about the coming year, which I hope to be brighter for us all, I look forward to several exciting major new initiatives as well the continuing programs.

All our councils continue to work together on a wide range of waste-related projects, so I will highlight just a few particularly important ones. Our advocacy for the Department of Planning, Industry and Environment to develop a plan for waste infrastructure has been heard, and a plan is to be developed. Our own infrastructure plan will focus on our region specifically and will be informed by DPIE's findings. Our review of the regulatory and legislative barriers to the development of circular economy. This year we will use the findings of the review to develop an advocacy plan for change. I hope to be able to report progress in the coming year.

Paving the Way will progress to seeking tenders for Recycled Crushed Glass (RCG) with 16 member and non-member councils having agreed to participate. This joint procurement will see recycled glass included in civil works materials. The use of RCG is expected to reduce greenhouse gas emissions by avoiding the transport of virgin sand from distant quarries, and also the transport of glass interstate for recycling. The procurement's innovative contract model will track emissions and volumes of recycled materials to help councils report on sustainability targets.

PEERS 3 Electricity and Renewable Energy will begin, and will likely form a very large buying group with over fifty per cent of the total NSW local government electricity purchase. We have already made a submission to ACCC to ensure we have approval to proceed. We will next engage the services of an experienced energy advisor with capability and capacity to work with the Project Team throughout the whole process, to help us achieve the best solution possible and value for money for all participating councils.

The Street Lighting Improvement Program will continue in the coming year, with the completion of the LED roll-out for residential roads, Ausgrid's tender for new LEDs, and a review of the NSW Public Lighting Code.

Conclusion

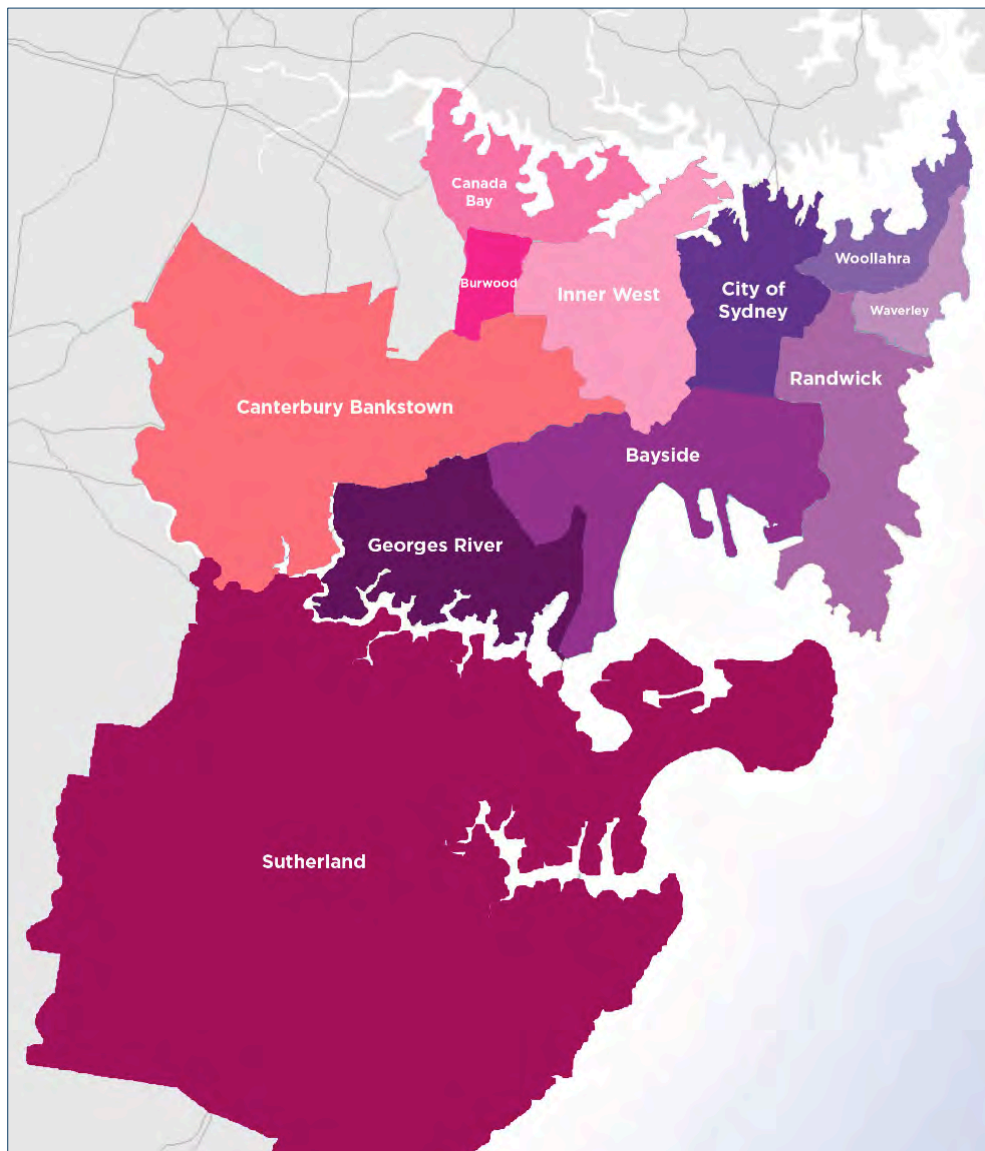
The challenges of the year ahead should not be underestimated, and we must be mindful that so many others around the country and the world are suffering and facing even greater pressures. But there are huge opportunities ahead. Acting regionally will lay the foundations for our councils to deliver ever-better community services next year and into the future. I look forward to our continuing cooperation through SSROC.

Councillor John Faker
PRESIDENT

ORGANISATION STRUCTURE 2019/20

Introduction to SSROC

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an incorporated association of 11 local councils, originally established in 1986. SSROC is a forum for the councils to work together to solve common problems, cooperate in policy development, and advocate to other levels of government.



The Local Government Areas of SSROC

THE ORGANISATION

Delegates

SSROC comprises two councillors delegated from each of our member councils:

Bayside Council, Burwood Council, Canterbury Bankstown Council, City of Canada Bay, City of Sydney, Georges River Council, Inner West Council, Randwick City Council, Sutherland Shire Council, Waverley Council, Woollahra Municipal Council.

The councils are also entitled to nominate two additional councillors as alternate delegates.



EXECUTIVE

Each year at the Annual General Meeting, the Delegates elect three of their number to fill the Executive positions of President, Senior Vice President and Junior Vice President. Executive members for 2019/20 are:



Cr John Faker
(Burwood)
President



Cr Khal Asfour
(Canterbury Bankstown)
Senior Vice President



Cr Con Hindi
(Georges River)
Junior Vice President

DELEGATES

Bayside Council

Councillor Joe Awada (Mayor)
Councillor James Macdonald (Deputy Mayor)
Councillor Liz Barlow (Alternate)
Councillor Ed McDougall (Alternate)

Burwood Council

Councillor John Faker (Mayor, SSROC President)
Councillor George Mannah (Deputy Mayor)
Councillor Ernest Chan (Alternate)
Councillor Heather Crichton (Alternate)

Canterbury Bankstown Council

Councillor Khal Asfour (Mayor, SSROC Senior Vice President)
Councillor Clare Raffan
Councillor Nadia Saleh (Alternate)
Councillor Linda Eisler (Alternate)

City of Canada Bay Council

Councillor Angelo Tsirekas (Mayor)
Councillor Marian Parnaby
Councillor Michael Megna (Alternate)
Councillor Charles Jago (Alternate)

City of Sydney Council

Councillor Jess Miller
Councillor Christine Forster
Councillor Robert Kok (Alternate)
Councillor Craig Chung (Alternate)

Georges River Council

Councillor Kevin Greene (Mayor)
Councillor Con Hindi (Deputy Mayor, SSROC Junior Vice President)
Councillor Rita Kastanias (Alternate)
Councillor Vince Badalati (Alternate)
Councillor Nick Katris (Alternate)

Inner West Council

Councillor Darcy Byrne (Mayor)
Councillor Rochelle Porteous
Councillor Lucille McKenna (Alternate)
Councillor John Stamolis (Alternate)

Randwick City Council

Councillor Danny Said (Mayor)
Councillor Alexandra Luxford
Councillor Anthony Andrews (Alternate)
Councillor Christie Hamilton (Alternate)

Sutherland Shire Council

Councillor Jack Boyd
Councillor Daniel Nicholls
Councillor Michael Forshaw (Alternate)
Councillor Ray Plibersek (Alternate)

Waverley Council

Councillor Paula Masselos (Mayor)
Councillor Elaine Keenan (Deputy Mayor)
Councillor George Copeland (Alternate)
Councillor Marjorie O'Neill (Alternate)

Woollahra Municipal Council

Councillor Susan Wynne (Mayor)
Councillor Lucinda Regan
Councillor Mark Silcocks (Alternate)

SSROC COMMITTEE MEMBERS

There were no committees in 2019/20.

STAFF

SSROC employs staff to undertake the organisation's day-to-day work and there have been a number of staff changes during the year. The key positions are:

General Manager

Namoi Dougall (left SSROC on 31/1/2020)
Helen Sloan (Acting from 31/1/2020)

Program Manager - Environment, Waste, Planning and Transport

Helen Sloan (to 31 January 2020)
Helene Forsythe (Acting from 2/3/2020)

Strategic Planning Manager

Mark Nutting

Strategic Procurement and Contracts Manager

Cathy Dizon

Procurement Projects Officers

Yamini Agarwal (left SSROC on 8/8/2019)
Mala Manisegaran (started with SSROC on 23/9/2019)

Procurement Administration Support

Emily Pu (started with SSROC on 17/2/2020)

Program & Communications Officer

Kate Hannan

Office Manager

Natasha Anderson

Executive Assistant

Colleen Stretton

Regional Strategic Coordinator, Resource Recovery (EPA funded)

Justin Bonsey

Hazel Storey (left SSROC 1/5/2020)

Jennifer Gustafson (started with SSROC 10/4/2020)

Waste Educators – Better Waste Recycling Fund (EPA funded)

Louie Leung

Mei Li Quah

Senior Internal Auditors - engaged by councils

Bindu Mathew

Umayal Sivanandan

Our team is occasionally assisted by consultants and other project staff engaged to carry out special projects funded by grants or council contributions.

WORKING GROUPS

Working groups of council officers work with the staff team to develop and implement SSROC programs. The groups are a key component of the success of SSROC, and they are periodically reviewed by the Chief Executive Officers and General Managers to ensure that they continue to reflect councils' needs and priorities.

The current working groups are:

- Chief Executive Officers and General Managers
- Environmental Management
- Smart Communities
- Strategic Planning
- Strategic Procurement
- Waste Network
- Waste Strategy Steering

Acknowledgement of Country

The Southern Sydney Regional Organisation of Councils (SSROC) acknowledges the traditional custodians of our region – the peoples of the Darug, Dharawal and Eora Nations

MAJOR ACHIEVEMENTS 2019/2020 PROGRAMS & PROJECTS



PROGRAM FOR ENERGY AND ENVIRONMENTAL RISK SOLUTIONS (PEERS)

The Program for Energy and Environmental Risk Solutions (PEERS) phases 1 and 2 have delivered considerable savings for SSROC councils and a growing number of other NSW councils. The renewable energy component of PEERS 1 from the Moree Solar Farm is estimated to achieve financial savings of \$9.2 million and carbon emissions savings of 166,556 tonnes over the next ten years.

Eight more councils in PEERS 2 successfully completed procurement late in 2019, with very good grid electricity pricing. The contract has achieved combined savings of over \$500,000 for the first half of 2020 compared to their previous contract rates. Most councils are saving between 5% and 30% on electricity costs, depending on when their previous contract had been agreed. But the renewable offer received was significantly higher than regular grid power and was non-conforming. It was financially advantageous for councils to accept the competitive price for regular grid electricity and seek renewable energy when the market is expected to decline in price by 2022, and to combine with the larger group of PEERS1 councils. With a combined electricity load of over 200,000 MWh per annum, PEERS 3 is likely to attract

highly competitive offers from retailers. PEERS 3 approach to the market will begin in early in 2021 and all PEERS 2 councils will be invited to participate.

Two councils whose electricity costs did not fall nonetheless benefited on Large-scale Renewable Energy Target charges.

OUR ENERGY FUTURE

Our Energy Future was initiated by SSROC under the regional renewable energy master plan. Under the SSROC service agreement, the service to councils' residents in 2019/20 has been delivered by the Australian Energy Foundation, and was a finalist in the 2019 NSW Green Globe Climate Change Leadership Awards. The program provides reliable, independent advice to homeowners seeking to achieve greater energy efficiency and install solar power systems. By recommending reputable products and suppliers, this unique program empowers consumers to take energy-saving action, with ease and confidence.

Since 2017 the program has achieved:

- **557 residential solar installations, representing 2.5 mW of generating capacity with 43,973 Tonnes of CO2 abated**
- **13 residential battery installations with 133 kWh storage capacity**



- **80 home energy assessments and 11 home insulations completed**
- **2567 residents attended council information sessions**
- **1000 residents used the call-up information service**

THE STREET LIGHTING IMPROVEMENT PROGRAM

The (SLI) Program 2019-2024 has 29 councils with approximately 90% of all streetlights with Ausgrid's distribution area and about 40% of streetlights in NSW.

The status of key activities is as follows:

1. Project to Replace Up To 104,000 Street Lights with LEDs

All SSROC member councils (and 25 councils in total encompassing more than 80% of the lighting on Ausgrid's network) have formally agreed to Ausgrid's residential road LED upgrade program that was negotiated by SSROC. Several other councils are currently considering it in their 20/21 budgeting process. Approximately 36,200 LED luminaires have been installed as of mid-June 2020.

After resolution in May of how new Electrical Safety Rules would apply to street lighting, Ausgrid has advised SSROC that it is progressively resuming live line work after a fatality on the network in 2019. This important breakthrough after many months of suspended work should again see larger volumes of LED luminaires being deployed initially in the Hunter and inner Sydney and then more widely by September.

Ausgrid has indicated that it will contact each council individually about the resumption of LED deployments in its area.

Ausgrid has recently made a proposal to the Department of Planning, Industry and Environment seeking funding support for compact fluorescent lamps (CFL) replacements (which would otherwise be the last remaining non-LEDs on residential roads). SSROC will follow up next year.

2. Ausgrid Street Lighting Repairs

The backlog of repairs to streetlighting escalated dramatically this year, following an urgent and important safety review and a consequent reduction in rate of repairs, then a series of serious storms caused further damage to the network. General Managers, CEOs and council staff raised concerns about the large backlog of Ausgrid street lighting repairs, and SSROC has made a number of representations to Ausgrid about the backlog.

The backlog of Ausgrid street lighting repairs was at over 5,000 outages earlier in the year, multiples of historic levels. Additional resources are now allocated to clearing the backlog, and outages were down to about 4,200 by mid-June. Ausgrid has outlined its plan to reduce the backlog to a more typical 1000-2000 outages by September. SSROC will continue to liaise with Ausgrid on this issue.

Given the concerns about this issue, SSROC undertook a series of formal street lighting surveys on main roads. In total, 6,240 lights were surveyed across all 29 councils in the SLI Program. Outage rates were found to be 9.7% on average, almost double the maximum 5% allowed for in the Australian Standard and a significant public safety hazard. These have been reported to Ausgrid which now has a plan to address the large backlog early next year.

3. Ausgrid LED Tender & Smart Controls EOI

Ausgrid is currently seeking tenders for LED lighting, following extensive input from SLI Program councils and Transport for NSW. New and improved LED lighting choices, particularly for main roads and to support smart city projects, are expected early in 2020/21.

When new contracts with suppliers have been finalised, Ausgrid is expected to begin discussions with councils about a main road LED roll out. Ausgrid has recently made a proposal to the Department of Planning, Industry and Environment seeking funding support for main road lighting replacements.

SSROC has also assisted Ausgrid with a recent proposal to the Department of Planning, Industry and Environment seeking funding support for a smart controls deployment.

4. NSW Public Lighting Code

The Code came into effect on 1 July 2019, following years of advocacy by SSROC for the establishment of service levels for street lighting. The Department of Planning, Industry and Environment (DPIE) has indicated that a formal review of the Public Lighting Code will commence in early 2020/21, SSROC intends to actively participate in this review in coordination with and on behalf of councils.

5. SSROC SLI Program Meetings with Council Staff

SLI Program has been affected by COVID-19, with the team planning to hold annual meetings with all participating councils online instead of the usual individual face-to-face meetings. At the time of writing this report, 20 of the 29 meetings have been completed. These meetings cover all aspects of the SLI Program's work on LEDs, smart controls, service levels and pricing.

WASTE AND RESOURCE RECOVERY PROGRAM



REGIONAL KERBSIDE WASTE AUDIT

Image credit A. Prince Consulting

Waste audit sorting

The 2019 regional kerbside waste audit was the largest audit undertaken and completed in late 2019. Thirteen general audits and nine high-rise audits were conducted over nine months, providing a comprehensive composition analysis and longitudinal data as this is the seventh regional audit undertaken over a 20-year period. Results have been presented to the Waste Network Group.

Key findings of the 2019 waste audit are:

- An average household produces 8.8kg of general waste per week, down from 10kg/per week in 2015. The largest component of general waste continues to be food at 34%
- Recycling bin contamination is still high at 20.5%
- A full (100%) recovery of recycling, food and garden organics can only achieve a maximum of 66% diversion from landfill
- With current waste treatment options and regulations for residual waste, we will not be able to achieve the NSW Government target of 80% diversion from landfill by 2030 without options such as energy from waste or similar technologies
- The diversion from landfill was 37% overall.

With the longest-running consistent pattern of waste audits in NSW, the SSROC member councils' dataset is now widely considered to be the most comprehensive and robust in Australia. The audit data informs the design of SSROC and our member councils waste avoidance and resource recovery projects including targeted education programs.

Regional Waste & Resource Recovery Community Education Program

From July 2019 to March 2020, 85 face-to-face workshops were conducted on recycling, reducing food waste, reducing plastic and reuse. Workshops included 32 community organisations and a total of 1,344 participants.

SSROC Educators quickly responded to COVID-19 restrictions from mid-March 2020, adapting the workshop program to online, interactive webinars. Six webinars were piloted with 105 participants through the University of New South Wales (UNSW) Arc – Student Life and UNSW sustainability groups. The webinars included a variety of waste education activities such as game-based learning via the Kahoot! quiz platform, live discussion, presentations and videos.



Participants were encouraged to share learnings, and many reported that they did this with their family or household who were now taking new and multiple actions to reduce and avoid waste and recycle correctly.



Circular Economy Think Tank Series

SSROC partnered with NSW Circular and the University of New South Wales Sustainable Materials Research and Technology Centre (SMaRT Centre) on a series of three Circular Economy Think Tanks, to examine wastes commonly found in kerbside collections and identify opportunities to divert them from landfill. Two of three planned sessions have been delivered in 2019/20.

The first think tank focused on the pathways of materials from kerbside recycling streams, and examined opportunities to recover more materials. With 36 attendees from 28 different organisations, the session brought together experts from design, engineering, manufacturing, government and research fields.

The second think tank focused on the recovery of textiles and finding solutions to improve recoverability. SSROC councils, UNSW, State government and the design, manufacturing, resource and charity sectors examined collaborative ways of how to transition to a circular economy with a focus on specific materials.

A further, final session will be held next year, to examine plastic wastes.

Alternatives for Processing Residual Waste

Eight SSROC member councils have contracts service providers to collect and process residual (red-lid bin) waste through a treatment facility to produce a compost-like known as mixed waste organic output (MWO). The application of MWO to land was banned in late 2018 due to concerns over the cumulative effects on material resulting from sustained testing over several years. The ban effectively left these councils without a solution for the diversion of residual waste from landfill, so they began to examine alternatives.

In 2019/20, councils expressed interest in exploring a joint approach to contracts and infrastructural investment, provided any such decisions are evidence-based and supported by a robust business case. A concurrent SSROC project, Sydney Waste Data and Infrastructure Planning, will assess a food organics-garden organics (FOGO) or food organics (FO) collection service and a thermal processing solution for residual waste, which councils may explore individually and/or jointly.

SSROC is currently developing an application to NSW EPA for the AWT Local Council Transition Fund to FOGO/FO service options feasibility study, with priority given to AWT-affected councils. The study will also consider non-AWT affected councils and explore opportunities for joint procurement of collection and processing contracts. If the funding application is successful, this study is expected to be completed in mid-2021.

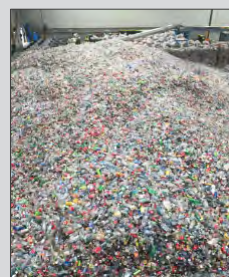


Procure Recycled: Paving The Way

The SSROC Paving the Way initiative aims to create a closed-loop local

market for waste glass from recycling bins by using derived products in pavements. Approximately one-third of council domestic glass collections (roughly 100 million glass bottles per year), will be crushed to produce recycled crushed glass (RCG) to natural

sand within asphalt, reducing the need for virgin materials, lowering greenhouse gas emissions, and stimulating regional infrastructural development.



16 councils have agreed to participate in the contract for provision of materials and services, which is due to commence on 1 July 2021, including all SSROC members.

Sydney Waste Data & Infrastructure Planning

Inconsistent, unreliable data means that the evidence base for local governments to make informed strategic waste and resource recovery infrastructure and service planning decisions is not adequate.

This project will analyse material flows, infrastructure capacity and needs within the region, including innovative approaches to regional infrastructure and contracts to minimise waste and increase resource recovery over the next 20 years. The recommendations for a standardised waste data protocol, waste data gap analysis and a centrally coordinated waste data management system accessible to all necessary stakeholders. This report will be delivered in December 2020.

Legislative & Regulatory Reforms To Achieve A Circular Economy

SSROC is facilitating a project to consult a wide range of stakeholders across government, industry and peak environment groups on key legal and regulatory issues related to waste and resource recovery. The consultation identified 18 key issues, which

are the focus of a review spanning the breadth of the materials value chain, to identify barriers and opportunities under current legislation and regulation. Issues include the definition of waste, use of the waste levy, priority infrastructure, waste market diversification and planning controls.

Recommendations on reforms to address these key issues will be used to inform SSROC's legislative and regulatory reform advocacy positions. This project is due to report in September 2020.

NSW Waste Less Recycle More Funding Package

SSROC is pleased to acknowledge that this program is supported by NSW government's Waste Less, Recycle More initiative, funded from the waste levy.

Funding is provided for regional coordination and for the delivery of relevant projects, and enables SSROC to achieve beneficial outcomes for member councils and their residents that would not otherwise be possible. Many of the above projects have been wholly or partly delivered under this package.

ADVOCACY

SSROC's advocacy work covers a broad range of issues. The associated tasks range from short submissions in response to consultations, to large projects in pursuit of a particular objective or objectives. Some larger initiatives, such as that related to waste legislation and regulation, are treated as projects and described above. This section highlights some other important initiatives of 2019/20.

Building Resilient Communities

This project aims to direct investment into projects in SSROC member council areas, providing economic stimulus to the region, creating and maintaining jobs during the

COVID-19 Coronavirus pandemic, while delivering long-lasting public benefit. It highlights the huge potential for benefit throughout southern Sydney, should councils be able to access NSW Government stimulus funding.

SSROC is currently gathering a long list of currently unfunded projects that meet the criterion of delivering long-lasting public benefit. The material will be used to produce a compelling argument for investment in member councils' infrastructure projects, to support an advocacy campaign.



Greater Sydney Place-Based Infrastructure Compacts

The Greater Sydney Commission tested its model of Place Based infrastructure Compacts (PIC) for infrastructure for localities undergoing rapid growth by developing a plan for Greater Parramatta and the Olympic Peninsula (GPOP). SSROC provided feedback on the GPOP pilot, suggesting improvements to the model and welcoming Australia's "first model for place-based growth and infrastructure alignment". The submission recommended its wider application to ensure that there is adequate infrastructure when significant development takes place, especially in precincts undergoing rapid growth

Building Industry Reforms

In consultation with member Councils, SSROC provided input to the discussion paper Building Stronger Foundations, proposing reforms to the Building Industry.

SSROC will continue to monitor these important reforms and to advocate for improved regulatory arrangements.

Boarding House Reforms

In June 2019, SSROC published the report *Occupant Survey of Recent Boarding House Developments in Central and Southern Sydney*, which it commissioned from the City Futures Research Centre, as an investigation into the outcomes of boarding house developments under Division 3 of the Affordable Rental Housing State Environmental Planning Policies (SEPP). The report demonstrated that the provision of affordable housing for marginal households, as originally intended by the introduction of the SEPP, has not been achieved, and the accommodation being delivered under the SEPP are not boarding houses as traditionally understood.

During 2019/20 SSROC used the report to advocate for a number of boarding housing planning policy and regulatory reforms with the NSW Government. A key focus was to ensure that the planning incentives offered under the SEPP delivered genuine affordable housing outcomes.

Following the report's release, the SSROC staff and the report's authors, met with the Department of Planning Industry and Environment and Commissioners from the Greater Sydney Commission in July 2019 to present the findings and discuss the report's implications. The recommendations were well received. The report was also featured on ABC Radio and ABC News online.

The NSW Government Housing Strategy Discussion paper in May 2020 acknowledged that private renting is long-term for a growing proportion of the population, and flagged the need for improved planning responses.



Review Of The Impounding Act

In March 2020, SSROC Secretariat made a submission to the Office of Local Government's review of the Impounding Act 1993. The submission sought to ensure that the Act continues to be effective for managing animals and items left in public spaces, to mitigate the impacts of abandoned items such as shopping trolleys, boat trailers, share bikes, cars, and e-scooters.

Recommendations include the need to update provisions in the Act and find a balance between the convenience of using new technologies and preserving amenity for different groups of people wanting to use and enjoy public spaces.

The NSW Government is currently considering all feedback provided to inform the next stages of the review.

Advocacy In Waste & Resource Recovery

SSROC delivered eight submissions on state and federal waste and resource recovery policies as well as the two major projects to inform our ongoing regional advocacy, the Sydney Waste Data and Infrastructure Planning and the Legislative and Regulatory Reforms for Achieving a Circular Economy.

Our councils provided particularly valuable input into submissions to key strategic consultations for NSW: including the NSW 20-Year Waste Strategy (20YWS) issues paper and the NSW Plastics Plan. Through these submissions, our projects and the continued advocacy of the chair of SSROC Waste Strategy Steering Group (City of Sydney CEO, Monica Barone) has meant that SSROC has been able to establish itself as a key participant in the development of the 20YWS.

PROCUREMENT

SSROC's priorities in procurement are driven by our member councils' strategic needs, channelled through the Strategic Procurement Working Group and other working groups. Member councils take advantage of process efficiency, procurement expertise, aggregated purchasing, and synergy through regional collaborations. Acting as an agent for participating councils, all procurements comply with Local Government regulations. We work together to ensure that our contracts incorporate environmental, economic and social benefits as well as financial savings to councils. Some highlights of the 18 contracts concluded this year are outlined in this section.

PROGRAM FOR ENERGY & ENVIRONMENTAL RISK SOLUTIONS (PEERS)

Review of PEERS 1

The 2019/20 PEERS 1 contract performance review has determined that the contract is performing extremely well against the current market, even when the wholesale market dropped to a 5-year low. The tradeable Large-scale Generations Certificates (LGCs) bundled into the renewable portion of the electricity supply are providing further value to participating councils.

PEERS 2

In spite of the disruption to the electricity market during the procurement of electricity which resulted in no offers of renewable electricity, most of the councils achieved up to 30% savings against their incumbent contract rates. When compared to other contracts available for councils, PEERS 2 achieved 20% lower unit rates for grid electricity. PEERS 2 contract value is \$46.7 over two years.

PEERS Supply Of Gas For Large & Small Sites

In an Australian first for local government, SSROC secured an innovative agreement to take advantage of a 5-year low in wholesale gas pricing to secure pricing approximately 25% cheaper than traditional retail



agreements, saving participating councils around \$3 million per year.

Additional gas production projects delivered a 10-15% increase in available domestic east coast gas over the next two years. This market change has enabled SSROC to enter into the agreement on behalf of 11 NSW councils, purchasing gas at a low wholesale price from the Sydney hub with a fixed retail margin. SSROC also negotiated strategic terms and conditions with the supplier to mitigate risks of buying gas from the wholesale market. The contract commenced 1 July 2020.



Excavated Civil Works Materials Disposal & Recycling Sites

This contract is for the collection of sorted excavated civil works materials from council sites to a suitably licensed site to be recycled into a road base. About 30% of excavated recycled materials is sold back for councils and the rest is retained or disposed of by the contractor. The service also includes the recycling of street-sweeper waste, with water drained from waste lowering transport and tipping costs to councils.

Resource recovery rates across the contracted facilities are: 77-99% concrete and concrete rubble; 80-100% asphalt and excavated soils; 50% mixed materials. This procurement demonstrates that aggregation can achieve a strategic and sustainable outcome, as well as a competitive price.

Mattress Collection And Recycling Contract

In total 71,596 mattresses and bed bases were collected which represents 1,647 tonnes of waste. Of this, the contractor recovered/recycled 1,235 tonnes or 75%, saving councils \$175,000 in landfill levies.

Gross Pollutant Traps and Stormwater Management Contract

Under this contract 2,353 tonnes of waste have been removed from gross pollutant traps, of which 90% was processed and recycled. Before this contract all of that material would have been landfilled, so in 2019/20 participating councils saved \$370,000 in avoided landfill levies.



Receival & Recovery Of Clean Up Materials

This new joint council procurement is the first targeting diversion from landfill of kerbside clean up collections. By diverting materials from landfill, participating councils will save \$2.3 million per annum, and aim to achieve a recovery rate of 75% for this waste stream.

Clean up materials, (including metals and white goods, e-waste, bulky green and potentially reusable household items), will be sorted for reuse, recycling and energy recovery. The contract also encourages innovation and continuous improvement over its term. This procurement has established a reliable, integrated, efficient and cost-effective processing service at the best value for the region.

Other Successfully Completed SSROC Contracts

In total 18 contracts have been achieved, reviewed and continued or initiated including:

- Feral Animal Control Services
- Supply, install and maintain signs and traffic control equipment
- Tree pruning services
- Response and disposal of illegally dumped asbestos services
- Ready-mixed concrete
- Hygiene products and services
- HVAC Heat, ventilation and Air Conditioning (EOI)



SSROC SUBMISSIONS

The following submissions have been made:

- 24 July 2019 – submission to Better Regulation Division, Department of Finance, Services and Innovation on the Building Stronger Foundations Discussion Paper.
- 2 August 2019 – letter to the Hon Gladys Berejiklian MP in support of maintaining cardiac surgical services at the Sydney Children’s Hospital, Randwick.
- 27 September 2019 – submission to NSW Independent Pricing and Regulatory Tribunal (IPART) on the IPART Review of the Local Government Rating System.
- 2 October 2019 – submission to Legislative Council Standing Committee on Social Issues on the Inquiry into NSW Modern Slavery Act 2018 and associated matters.
- 8 October 2019 – submission to Review of the Boarding Houses Act Consultation on Statutory Review of the Boarding Houses Act 2012.
- 16 October 2019 – submission to Design and Building Practitioners Bill 2019 Consultation, Better Regulation Division on Draft Design and Building Practitioners Bill 2019 Consultation.
- 25 October 2019 – submission to IPART on the Review of reporting and compliance burdens on Local Government Final Report.
- 15 November 2019 – submission to IPART on Local Government Compliance and Enforcement Final Report.
- 15 November 2019 – submission to Office of the Secretary, Department of Customer Service on NSW Government’s Smart Infrastructure Policy.
- 21 November 2019 – submission to Senate Standing Committees on Environment and Communications on the Product Stewardship Amendment (Packaging and Plastics) Bill 2019.
- 3 December 2019 – submission to the National Waste and Recycling Taskforce, Department of the Environment and Energy on the proposed national ban put forward in the discussion paper banning exports of waste plastic, paper, glass and tyres.
- 4 December 2019 – submission to the Office of the NSW Productivity Commissioner on NSW Productivity Discussion Paper.
- 9 December 2019 – submission to NSW Environment Protection Authority on Mixed Waste Organics Outputs Position Statement and Phase 2 Funding Package.
- 18 December 2019 – submission to the Greater Sydney Commission on ‘A city Supported by Infrastructure’ and ‘GPOP – Our true centre: the connected unifying heart’.
- 20 December 2019 – submission to Minister for Local Government on a New Risk Management and Internal Audit Framework for local councils in NSW.
- 28 January 2020 – letter to Minister for Energy and Environment on reforming electricity distribution pole access to support emerging smart cities.
- 19 February 2020 – letter to Minister for Better Regulation and Innovation on flammable dwellings.
- 25 February 2020 – submission to Sydney Airport on the Sydney Gateway Road Project Draft Major Development Plan.
- 23 March 2020 – letter to the Minister for Local Government, the Hon Shelley Hancock MP requesting the NSW Local Government Elections be delayed by 6-12 months.
- 27 March 2020 – submission to Office of Local Government providing feedback to the Review of the Impounding Act 1993.

- 27 March 2020 unsolicited submission to Group Deputy Secretary, Planning and Assessment, Department of Planning, Industry and Environment on Local Character Areas and the Low-Rise Medium Density Code.
- 1 April 2020 – informal submission to Housing Policy Team, Department of Planning, Industry and Environment, providing feedback on the Affordable Housing Viability Tool.
- 3 April 2020 – letter to Prime Minister, the Hon Scott Morrison MP in relation to COVID-19 – Financial Assistance for NSW Councils.
- 3 April 2020 – letter to the Premier of NSW, Hon Gladys Berejiklian MP, in relation to COVID-19 – Financial Assistance for NSW Councils.
- 17 April 2020 – submission to the independent review of the Environment Protection and Biodiversity Conservation (EPBC) Act.
- 15 May 2020 – submission to NSW Department of Planning, Industry and Environment on the Issues Paper ‘Cleaning Up Our Act – The future for Waste and Recycling in NSW’.
- 15 May 2020 – submission to NSW Department of Planning, Industry and Environment on ‘Cleaning Up Our Act – Redirecting the Future of Plastic in NSW’.
- 5 June 2020 – follow up letter to Secretary, Department of Planning, Industry and Environment to SSROC’s 27 March 2020 submission to the Group Deputy Secretary, Planning and Assessment, Department of Planning, Industry and Environment on Local Character Areas and the Low-Rise Medium Density Code
- 26 June 2020 – submission to Department of Planning, Industry and Environment on the Discussion Paper Improving the review of local infrastructure contributions plans.
- 26 June 2020 – submission to Department of Planning, Industry and Environment on the Draft Planning Agreements Policy Framework.
- 26 June 2020 – submission to Department of Planning, Industry and Environment on the proposed amendments to the Environmental Planning and Assessment Regulation 2000 (the EP&A Regulation).
- 26 June 2020 – submission to Department of Planning, Industry and Environment on the Discussion Paper ‘Criteria to request a higher s7.12 percentage’.
- 26 June 2020 – submission to Department of Planning, Industry and Environment on Draft special infrastructure contributions (SIC) guidelines.



SSROC

FINANCIAL STATEMENTS - 30 JUNE 2020

Southern Sydney Regional Organisation of Councils
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Southern Sydney Regional Organisation of Councils
Statement of profit or loss
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Revenue	2	4,252,451	3,884,263
Other income		14,301	22,546
Profit on disposal of assets		12,530	-
		<u>4,279,282</u>	<u>3,906,809</u>
Expenses			
Employee benefits expense		(2,098,815)	(1,799,803)
Depreciation and amortisation expense		(158,888)	(90,589)
Other expenses		(1,929,036)	(2,099,987)
Loss on disposal of assets		-	(29,393)
		<u>(4,186,739)</u>	<u>(4,019,772)</u>
Net profit/(loss) before income tax expense		92,543	(112,963)
Income tax expense		-	-
Net profit/(loss) after income tax expense for the year		92,543	(112,963)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u><u>92,543</u></u>	<u><u>(112,963)</u></u>

The above statement of profit or loss should be read in conjunction with the accompanying notes

Southern Sydney Regional Organisation of Councils
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	4,024,978	3,954,071
Trade and other receivables	4	841,480	1,656,589
Other assets	6	31,144	35,544
Total current assets		<u>4,897,602</u>	<u>5,646,204</u>
Non-current assets			
Property, plant and equipment	7	46,839	80,387
Right-of-use assets	5	181,950	-
Intangible assets	8	89,054	85,788
Total non-current assets		<u>317,843</u>	<u>166,175</u>
Total assets		<u>5,215,445</u>	<u>5,812,379</u>
Liabilities			
Current liabilities			
Trade and other payables	9	88,456	194,689
Lease liabilities	10	74,778	-
Provisions	11	171,744	162,227
Other financial liabilities	12	807,646	1,577,825
Total current liabilities		<u>1,142,624</u>	<u>1,934,741</u>
Non-current liabilities			
Lease liabilities	10	111,853	-
Provisions	11	45,624	54,837
Total non-current liabilities		<u>157,477</u>	<u>54,837</u>
Total liabilities		<u>1,300,101</u>	<u>1,989,578</u>
Net assets		<u>3,915,344</u>	<u>3,822,801</u>
Equity			
Retained earnings		<u>3,915,344</u>	<u>3,822,801</u>
Total equity		<u>3,915,344</u>	<u>3,822,801</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Southern Sydney Regional Organisation of Councils
Statement of changes in equity
For the year ended 30 June 2020

	Retained earnings \$	Total equity \$
Balance at 1 July 2018	3,935,764	3,935,764
Net loss after income tax expense for the year	(112,963)	(112,963)
Other comprehensive income for the year, net of tax	<u> -</u>	<u> -</u>
Total comprehensive income for the year	<u>(112,963)</u>	<u>(112,963)</u>
Balance at 30 June 2019	<u><u>3,822,801</u></u>	<u><u>3,822,801</u></u>
	Retained earnings \$	Total equity \$
Balance at 1 July 2019	3,822,801	3,822,801
Net profit after income tax expense for the year	92,543	92,543
Other comprehensive income for the year, net of tax	<u> -</u>	<u> -</u>
Total comprehensive income for the year	<u>92,543</u>	<u>92,543</u>
Balance at 30 June 2020	<u><u>3,915,344</u></u>	<u><u>3,915,344</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020**

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The key new accounting standards are AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue From Contract with Customers and AASB 16 Leases and its amendments to the extent relevant to the financial statements of the incorporated association.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 15 Revenue from Contracts with Customers

The incorporated association has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The incorporated association has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification

within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

AASB 1058 Income of Not-for-Profit Entities

The incorporated association has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised.

Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Basis of preparation

In the committee's opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Associations Incorporation Act 2009 New South Wales. The officers have determined that the accounting policies adopted are appropriate to meet the needs of the members of Southern Sydney Regional Organisation of Councils.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Revenue recognition

The incorporated association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amount received that are subject to the constraining principle are recognised as a refund liability.

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

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

Interest

Interest revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other income is recognised on an accruals basis when the organisation is entitled to it.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-25 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the organisation, commencing when the asset is ready for use.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the incorporated association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The incorporated association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Provision is made for the organisation'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, and later than one year have been measured at the amounts expected to be paid when the liability is settled.

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

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 2. Revenue

Revenue from continuing operations

	2020 \$	2019 \$
Grants income	839,477	1,271,670
Rendering of services	287,707	305,176
Rebates	879,054	677,178
Membership contributions	844,998	818,911
Contributions to projects	1,389,969	771,630
Interest	11,246	39,698
	<u>4,252,451</u>	<u>3,884,263</u>

Note 3. Cash and cash equivalents

	2020 \$	2019 \$
Current assets		
Cash at bank and in hand	<u>4,024,978</u>	<u>3,954,071</u>

Note 4. Trade and other receivables

	2020 \$	2019 \$
Current assets		
Trade receivables	<u>841,480</u>	<u>1,656,589</u>

Note 5. Right-of-use assets

	2020 \$	2019 \$
Non-current assets		
Land and buildings –right-of-use	257,240	–
Less: Accumulated depreciation	(75,290)	–
	<u>181,950</u>	<u>–</u>

Note 6. Other assets

	2020 \$	2019 \$
Current assets		
Prepayments	<u>31,144</u>	<u>35,544</u>

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 7. Property, plant and equipment

	2020 \$	2019 \$
Non-current assets		
Leasehold improvements –at cost	17,041	14,800
Less: Accumulated depreciation	<u>(4,716)</u>	<u>(1,420)</u>
	<u>12,325</u>	<u>13,380</u>
Furniture, fixtures and fittings –at cost	83,267	83,267
Less: Accumulated depreciation	<u>(77,520)</u>	<u>(61,003)</u>
	<u>5,747</u>	<u>22,264</u>
Motor vehicles –at cost	28,716	88,551
Less: Accumulated depreciation	<u>(28,716)</u>	<u>(61,203)</u>
	<u>-</u>	<u>27,348</u>
Computer equipment –at cost	76,913	72,311
Less: Accumulated depreciation	<u>(48,146)</u>	<u>(54,916)</u>
	<u>28,767</u>	<u>17,395</u>
	<u>46,839</u>	<u>80,387</u>

Note 8. Intangible assets

	2020 \$	2019 \$
Non-current assets		
Website –at cost	385,064	342,989
Less: Accumulated amortisation	<u>(296,010)</u>	<u>(257,201)</u>
	<u>89,054</u>	<u>85,788</u>

Note 9. Trade and other payables

	2020 \$	2019 \$
Current liabilities		
GST payable/(receivable)	(26,312)	103,089
Sundry payables and accrued expenses	<u>114,768</u>	<u>91,600</u>
	<u>88,456</u>	<u>194,689</u>

Note 10. Lease liabilities

	2020 \$	2019 \$
Current liabilities		
Lease liability	<u>74,778</u>	-
Non-current liabilities		
Lease liability	<u>111,853</u>	-
	<u>186,631</u>	-

Southern Sydney Regional Organisation of Councils
Notes to the financial statements
30 June 2020

Note 11. Provisions	2020	2019
	\$	\$
	89,532	90,917
Current liabilities	<u>82,212</u>	<u>71,310</u>
Annual leave		
Long service leave	<u>171,744</u>	<u>162,227</u>
	<u>45,624</u>	<u>54,837</u>
Non-current liabilities		
Long service leave	<u><u>217,368</u></u>	<u><u>217,064</u></u>

Note 12. Other financial liabilities	2020	2019
	\$	\$
	<u>807,646</u>	<u>1,577,825</u>
Current liabilities		
Grant advances		

Note 13. Contingent liabilities

In the opinion of the members of the committee, the organisation did not have any contingencies at 30 June 2020 (30 June 2019: None).

SOUTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS

A.B.N. 54 485 603 535

STATEMENT BY MEMBERS OF THE COMMITTEE

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

In the opinion of the committee the financial report:

1. Presents a true and fair view of the financial position of Southern Sydney Regional Organisation of Councils as at 30 June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Southern Sydney Regional Organisation of Councils will be able to pay its debts as and when they fall due.

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

Committee Member : Councillor John Faker (Mayor of Burwood Council)

Committee Member: Councillor George Mannah

Dated this 13 day of October, 2020



Independent Auditor's Report to the Members of Southern Sydney Regional Organisation of Councils

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of Southern Sydney Regional Organisation of Councils (the Association), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion the financial report presents fairly, in all material respects, the financial position of Southern Sydney Regional Organisation of Councils as at 30 June 2020 and of its financial performance for the year then ended in accordance with the accounting policies described in note 1 to the financial statements.

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 Entity in accordance with the auditor independence requirements and the ethical requirements of the Accounting Professional & 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.

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 for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Associations Incorporation Act 2009*. 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 committee for the Financial Report

The committee of the Association is responsible for the preparation and fair presentation of the financial report and we have determined that the accounting policy described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the *Associations Incorporation Act 2009* and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining such internal control as the committee and management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The members of the committee are responsible for overseeing the Association's financial reporting process.

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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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the committee's 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 Association'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 Association 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 those charged with governance 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.

Nexia Sydney Audit Pty Limited

Brett Hanger
Director

Dated at Sydney, this 21 day of October 2020

Nexia Sydney Audit Pty Ltd
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Compilation Report to Southern Sydney Regional Organisation of Councils

The Responsibility of the Committee

The Committee is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Committee of Southern Sydney Organisation of Councils, we have complied, in accordance with APES 315 *Compilation of Financial Information*, the accompanying special purpose financial report of Southern Sydney Regional Organisation of Councils for the period ended 30 June 2020 comprising the attached Detailed Statement of profit or loss.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the information provided by the Committee.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the members of the Committee of Southern Sydney Organisation of Councils who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

Nexia Sydney Audit Pty Limited

Brett Hanger

Dated at Sydney, this 21 day of October 2020

Director

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Southern Sydney Regional Organisation of Councils

ABN 54 485 603 535

For the Year Ended 30 June 2020

Detailed Statement of Profit or Loss

	2020	2019
	\$	\$
<u>Income</u>		
Member contributions	844,998	818,911
Other Income	26,831	22,546
Interest	11,246	39,698
Rebates	879,054	677,178
<u>Project Income</u>		
General projects	146,051	77,096
Waste Disposal	28,000	28,325
Waste Audit	843,024	281,533
Renewable Energy Master Plan	1,334	7,723
PEERS	170,066	198,440
Streetlighting	201,494	202,405
Internal Auditor Contributions	287,707	281,284
Grant Project Income	839,477	1,271,670
Total Income	4,279,282	3,906,809
<u>Less: Expenses</u>		
Accountancy Fees	1,259	777
Auditors Remuneration	13,600	13,200
Bad Debts	-	72,072
Bank Charges	154	755
Computer Consumables	16,899	20,496
Couriers	623	1,199
Depreciation	83,598	90,589
Depreciation - ROU asset	75,290	-
General Expenses	1,563	20,190
Insurance	18,158	18,587
Legal Costs	395	30,129
Office Supplies	4,590	6,174
Recruitment Fees	5,886	-
Rent, Electricity and Water	-	121,731
Supply Program Costs	64,679	110,059
Salaries and Wages	1,449,965	1,234,707
Subscriptions	20,284	15,120
Telephone	21,860	17,427
Travelling Expenses	7,388	11,190
Website & Promotions	25,488	51,965
Project Grant Expenses	756,675	1,222,028
Interest expense - ROU asset	10,143	-
Loss on Disposal of Assets	-	29,393

Southern Sydney Regional Organisation of Councils

ABN 54 485 603 535

For the Year Ended 30 June 2020

Detailed Statement of Profit or Loss

	2020 \$	2019 \$
<u>Project Expenses</u>		
Streetlighting program	201,494	202,409
Clean Up Waste Audit Expenses	-	2,755
Waste Disposal Project Expense	24,000	32,325
Waste Audit Project	843,418	281,533
Renew Energy Mast Plan Expense	3,278	8,193
Shared services expenses	170,066	142,346
Internal Auditor Expenses	217,421	209,612
Total Expenses	<u>4,186,739</u>	<u>4,019,772</u>
Other Operating Income/ Expenses:	-	-
Profit/ (Loss) Before Income Tax	<u><u>92,543</u></u>	<u><u>(112,963)</u></u>



SSROC

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