





Northern Sydney Regional Organisation of Councils

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PRESIDENT'S REPORT

I am pleased to present this end-of-year report in what has been a rather challenging year for local government in NSW.

The most significant issue this year for NSROC, and indeed all our member Councils, has been the NSW Government's forced Council amalgamations policy. The forced amalgamations affect all NSROC member Councils, and if fully implemented would reduce the total membership to three, putting in doubt NSROC's future as an entity.

We remain hopeful that the NSW Government will reconsider this policy position, particularly in light of the strident grassroots opposition in various communities across NSW. A reversal of this decision will provide greater certainty and allow NSROC to continue planning for a future where NSROC has an important regional role to play on behalf of our member Councils and ultimately the communities we serve.

Following the resignation of Andrew Roach, we moved quickly to commence recruitment of a new Executive Director, with Peter Coultou stepping in as Acting Executive Director in the interim. We have also moved to recruit a new Manager Policy and Projects to replace the long serving Janine Ricketts. On behalf of NSROC I would like to put on record my sincere thanks to Janine for her diligent work, dedication and wise counsel over the years, and we wish her well in her retirement.

Despite the political uncertainty we have faced over our collective future during the last financial year, I am pleased to report that NSROC has continued to pursue a number of important projects and raise the profile of Northern Sydney as a significant contributor to the social and economic dynamic of Sydney and NSW.

The Northern Sydney Recycling Centre in partnership with the EPA opened at Artarmon on 12 April 2017, whilst our regional waste disposal contract went from strength to strength, as detailed elsewhere in this report.

Another significant area of policy focus over the last year has been in the area of strategic land use planning, particularly with the establishment of the Greater Sydney Commission. The Commission was inaugurated in January 2016 with the task of preparing District Plans in line with the *'Plan for Growing Sydney'*, which establishes six 'districts' around which planning across Sydney will be based. All NSROC Councils, along with Mosman, Hornsby Shire and the newly created Northern Beaches Council, fall within the *'Northern Sydney District'* as identified in the Plan.

The legislation that established the Greater Sydney Commission required that draft District Plans be prepared and throughout the year NSROC has provided an important conduit for joint regional discussions between councils and the Greater Sydney Commission. The North District Commissioner, Dr Deborah Dearing, has been given a standing invite to all NSROC Board meetings and a range of workshops have been hosted between the professional staff of NSROC member councils and the Greater Sydney Commission. NSROC will continue to work with the Commission as the District Plan drafts are finalised and released for comment in coming months.

The annual Financial Statements are presented at the end of this report. It is important to remember that with the potential amalgamations looming when the budget was prepared, it was resolved by the Board that member Councils would reduce their annual NSROC membership subscriptions and rely on reserves, thus reducing any possible impact of winding up NSROC, should that have eventuated.



Therefore the loss recorded for the year was projected and deliberative, and not as a result of any adverse policy decisions or management.

On a personal note, I have decided not to recontest the local government elections in September this year, and accordingly my time as President will be coming to an end.

I would like to express the appreciation of the Board to the General Managers of our member Councils, particularly the work of the General Managers' Advisory Committee chaired by Craig Wrightson, for their ongoing support of NSROC. I also acknowledge the commitment and goodwill of the many Council officers who participate in various NSROC projects and professional officers groups.

I gratefully acknowledge the dedication and professionalism of our NSROC staff, who have continued to perform their duties admirably during a period of ongoing uncertainty about their future.

The coming year will no doubt see the beginnings of a reinvigorated NSROC, with the potential of even greater regional co-operation for the collective benefit of our communities. After the September local government elections, there will be some new faces on the NSROC Board, bringing fresh ideas and new perspectives, all of which will make NSROC even stronger.

I commend this report to you and wish you all the very best into the future.



Councillor Richard Quinn

NSROC President
Mayor of Hunter's Hill
30 June 2017

NSROC – WHAT WE DO

The Northern Sydney Regional Organisation of Councils (NSROC) is a voluntary organisation of local governments established to support the leadership teams of its member Councils; to work co-operatively for the benefit of the Northern Sydney Region; and to effectively advocate on agreed policy positions and strategic priorities.

NSROC is charged with four main functions:

- **Regional Advocacy** – to promote a united voice on shared concerns in our region
- **Regional Project Management** – to coordinate councils on regional or cross-council projects
- **Regional Research** – to assess and evaluate regional needs and trends
- **Regional Information Provision** – to provide councils and their communities with supporting resources.

Ultimately, NSROC is a resource to its member Councils enabling collaboration and development of regional solutions.

NSROC member Councils are:

- Hornsby Shire Council (resigned 30 June 2017)
- Hunter's Hill Council
- Ku-ring-gai Council
- Lane Cove Council
- North Sydney Council
- City of Ryde Council
- Willoughby City Council

ABOUT NSROC

NSROC Board

Member Councils of NSROC are represented on the organisation by two voting delegates, the Mayor and one other Councillor. The NSROC Board meets 4 times per year (in addition to the Annual General Meeting)

Executive Positions

Every 12 months the Board elects a President and two Vice-Presidents. These parties form the Executive of the organisation. Where matters of importance or urgency arise outside the regular meeting schedule (and where it would be impractical to call a full Board meeting), the Executive may be convened to consider such matters.

For the past year the NSROC Executive members are:

- Councillor Richard Quinn (President of NSROC, Mayor of Hunter's Hill)
- Councillor Gail Giles-Gidney (Vice-President of NSROC, Mayor of Willoughby)
- Councillor Scott Bennison (Vice-President of NSROC, Lane Cove Councillor)

Secretariat

Secretary	Mr Craig Wrightson (General Manager, Lane Cove Council)
Treasurer	Mr John McKee (General Manager, Ku-ring-gai Council)

Past Presidents

The following is a list of past NSROC Presidents:

Year	NSROC President	Local Authority
1987/88	Councillor G Anderson	Warringah Shire Council
1988/89	Councillor G Anderson	Warringah Shire Council
1989/90	Councillor PJ Graham	Ryde Municipal Council
1990/91	Councillor PJ Graham	Ryde Municipal Council
1991/92	Councillor RM Geddes	Ku-ring-gai Municipal Council
1992/93	Councillor RM Geddes	Ku-ring-gai Municipal Council
1993/94	Councillor DV Harvey	Willoughby City Council
1994/95	Councillor M Rawlings	Lane Cove Municipal Council
1995/96	Councillor M Rawlings	Lane Cove Municipal Council
1996/97	Councillor P Oglesby	North Sydney Council
1997/98	Councillor P Oglesby	North Sydney Council
1998/99	Councillor M Johnston	Willoughby City Council
1999/00	Councillor E Wilde	City of Ryde Council
2000/01	Councillor P Reilly	Willoughby City Council
2001/02	Councillor P Reilly	Willoughby City Council
2002/03	Councillor P Reilly	Willoughby City Council
2003/04	Councillor P Reilly	Willoughby City Council
2004/05	Councillor P Reilly	Willoughby City Council
2005/06	Councillor P Reilly	Willoughby City Council
2006/2007	Councillor P Reilly	Willoughby City Council
2007/2008	Councillor P Reilly	Willoughby City Council
2008/2009	Councillor P Reilly	Willoughby City Council
2009/2010	Councillor N Berman	Hornsby Council
2010/2011	Councillor N Berman	Hornsby Council
2011/2012	Councillor N Berman	Hornsby Council
2012/2013	Councillor R Quinn	Hunter's Hill Council
2013/2014	Councillor R Quinn	Hunter's Hill Council
2014/2015	Councillor R Quinn	Hunter's Hill Council
2015/2016	Councillor R Quinn	Hunters Hill Council
2016/2017	Councillor R Quinn	Hunters Hill Council

General Managers Advisory Committee (GMAC)

The General Managers Advisory Committee is composed of the General Managers of the six NSROC Councils. The current Chair of GMAC is Mr Craig Wrightson (General Manager of Lane Cove Council).

Professional Officers Groups and other Alliances

NSROC works across a number of Professional Officers Groups (POGs) from each of the member Councils. The following POGs are currently meeting on a regular basis:

- Financial Officers POG
- Environmental Sustainability POG
- Northern Planners Group (comprising planning staff from combined NSROC/SHOROC Councils)
- Sports POG
- Community Services POG
- Waste Management POG

There are also, on occasion, project specific working groups established. Current working groups include:

- Waste Advisory Group (advising on the NSROC Regional Waste Strategy)
- Renewable Energy Working Group (made up of members from the Environmental Sustainability Planning Officers Group)

KEY ACTIVITIES & OUTCOMES

Some of NSROC's key activities over the past year include:

Local Government Reform ('Fit for the Future')

- NSROC continued to liaise with member Councils as the State Government pursued its amalgamation agenda.

In early February 2017 Gladys Berejiklian became NSW Premier after the unexpected resignation of Mike Baird. The new Premier announced at the time that mergers in the Rural and Regional areas would be abandoned however mergers in the Metropolitan area would continue to be pursued. The Metropolitan Councils who remained stand-alone, including a number of NSROC members continued the fight through the Courts. In late July 2017, with the September Local Government elections looming, the Premier abandoned the remaining Metropolitan mergers.

As a result of the Government's announcement NSROC was placed in the position to renew its purpose and rebuild its capacity into the future.

Northern Sydney Recycling Centre

- The Opening of the North Sydney Recycling Centre

The Northern Sydney Recycling Centre at 8 Waltham Street, Artarmon was opened by the Minister for Planning and Member for Lane Cove, the Hon Anthony Roberts MP on 12 April 2017 and saw immediate success with 40 tonnes of problem waste and 15 tonnes of e-waste collected to 30 June 2017. The numbers of residents coming through the doors continued to increase with over 2000 by the end of June.

Engagement with the Greater Sydney Commission to Influence Sub-Regional Strategic Planning

- Engagement with the Greater Sydney Commission Continued

The Northern District Commissioner, Dr Deborah Dearing, has attended both GMAC meetings and NSROC Board meetings and has a standing invitation to attend either meeting to update NSROC and to facilitate ongoing discussions.

The Commission placed their District Plans on formal public exhibition until March 2017 to allow for feedback on the plans and the proposed actions. NSROC made a submission on the Plan to reflect the input from member councils. The Commission expects the District Plans to be finalised by the end of 2017.

Regional Representation on Key Legislation, Policies and Initiatives

- Throughout the year NSROC has made formal and information representations to Government and other authorities to represent the views of member councils. Examples include:
 - Submission on draft Waste and Resource Recovery Amendment (Container Deposit Scheme) Bill 2016 and Regulatory Framework Discussion Paper
 - Submission on Draft Container Deposit Scheme Regulation
 - North District Plan
 - Submission on Draft Medium Density Design Guide and Code
 - Energy from Waste Enquiry

Regional Sports Ground Strategy

The completion of the Regional Sports Ground Strategy, which includes detailed demand, supply and gap analysis of the sportsfields availability at regional level will allow Councils to make significant inroads into future planning to meet ongoing and increasing demand for playing fields and associated space.

Regional Waste Contract

- First full year of newly implemented \$200 million plus, ten-year, regional waste disposal contract on behalf of five Northern Sydney Councils (City of Ryde, Hunters Hill, Ku-ring-gai, Lane Cove and Willoughby) and waste provider Veolia Environmental Services.

The new waste contract was phased in from December 2015 and will deliver a raft of benefits, including:

- Annual savings up to \$2 million through efficiencies.
- A formal working arrangement for Councils to co-operatively manage the contract, through a participation agreement approved by the Minister for Local Government.
- Reducing procurement costs for each Council.
- Cuts to 'red tape' through a single point of management between the group of Councils and the company.
- Securing the Councils' NSW EPA 2022 target of 70% of total municipal waste diverted from landfill.
- Driving investment in new technology that converts 'red bin' and clean up waste into a compost-like substance used in mine site rehabilitation and refuse-derived fuel products used in cement manufacturing.
- Creating incentive for the construction of two new waste processing facilities by Veolia, which will secure waste resource recovery for up to 15 years for NSROC and other Councils.

Other Regional Waste Projects

- In December 2013 NSROC was successful in its grant application for \$600,000 over four years for regional waste coordination, as part of the five-year \$465.7 million *Waste Less, Recycle More* initiative. This was the funding mechanism supporting the *NSW Waste Avoidance and Resource Recovery Strategy 2013-21* and the means by which a share of funds collected under the Waste Levy (section 88 of the *Protection of the Environment Operations Act*) is returned to local government. The funding finished in June 2017 and delivered the *Regional Waste Strategy* and allowed NSROC to employ a Regional Waste Management Coordinator to oversee the development and implementation of the Strategy. This year the NSW EPA announced the program would be extended for four years with a budget of \$337 Million. NSROC successfully applied for an extension of the regional coordination funding for two years (with a two year option) at \$111,000 pa. The two year split reflected the then uncertainty over council amalgamations and some uncertainty as to whether NSROC would continue if amalgamations proceeded.

- NSROC also has a funding agreement with the NSW Environment Protection Authority (EPA) under the *Better Waste & Recycling Fund*. The purpose of the funding is to support the delivery of the *Northern Sydney Regional Waste Strategy* and contributes towards the State's *Waste Avoidance and Resource Recovery Strategy*. This year the funding allocated to NSROC was \$167,000 and for the next two years the funding will be \$137,000. Each of NSROC's seven member Councils also receives a non-contestable population-based amount under the fund.

The focus on establishing the Community Recycling Centre, reduced the resources available to deliver other regional waste projects. However, a number of regional waste projects still remain current.

Waste Planning for Multi Unit Development

- Residential dumping of household goods and waste around multi-unit dwellings is a growing problem in the region given the increasing population densities. The turnover in occupation of these dwellings also affects waste recycling rates. Effectively managing waste in multi unit dwellings relies on appropriate design by developers and coordination by council staff to ensure that planning, construction, operational and amenity issues are all considered early in the development process. After NSROC facilitated liaison between waste managers and planners across both the NSROC and SHOROC regions to help create a regional approach, a consultant has now been engaged to prepare a draft regional waste chapter for the Development Control Plan and technical guidelines for waste management planning in multi unit dwellings.

NSW Container Deposit Scheme

- NSROC represented the Northern Sydney region on one of six 'working groups' to assist the NSW Advisory Committee of the NSW Government in establishing the Container Deposit Scheme in NSW. NSROC sat on the 'Community & Local Government' working group, with a focus on matters likely to impact upon local government and made a submission on the draft legislation. NSROC also remains a conduit for information sharing between the EPA and the councils in the region. The Container Deposit Scheme will commence on 1 December 2017.

Furniture Re-use and Recycling Pilot

- This year NSROC entered into an agreement with 'The Bower' (a not for profit community organisation) to offer a pilot for furniture re-use and recycling. Funding was provided to allow residents of the seven LGAs to contact The Bower for assistance in collecting unwanted furniture and other goods. Even if the article is not suitable for reuse, The Bower provides at least three referrals for other organisations which may be able to assist in diverting the item from landfill. The aim of the project is to increase diversion from landfill in the short term and assess the effectiveness of the collection and re-homing service in the region's waste avoidance and diversion activities. Timber furniture currently makes up 25-30% of clean-up waste by volume. Initial results are encouraging and the funding will be extended for 2017/18.

Regional Renewable Energy

- NSROC, in partnership with councils and the University of Technology (Institute for Sustainable Futures) has undertaken a comprehensive review of potential solar PV projects to test the case for developing a strategy for the region for large scale renewable energy (solar PV) projects to be implemented as the conditions become economically, environmentally and socially favourable.

The Environmental Sustainability POG identified that NSROC member Councils had generally exhausted the 'easy' options for the installation of solar PV. This project aims to determine the options for new collaborative models for Councils to continue renewable energy rollouts to reduce greenhouse gas emissions and reduce ongoing electricity costs.

Regional Procurement Activity

Asphalt

- For many months NSROC has been working on a new Asphalt tender to replace the arrangement which expires 30 June 2017 (extended to 31 December 2017). The arrangement has traditionally resulted in significant cost savings for Councils and in addition, provides a “rebate” to NSROC of 1% of the total spend. This allows NSROC to undertake a variety of projects and keep member fees contained.

LGP Procurement

- For some years NSROC has had, in partnership with member Councils, a procurement agreement/contract with Local Government Procurement Pty Ltd (LGP). At the end of each 6 month period LGP provided a rebate to NSROC based on member Councils’ total spend to LGP contracts. During the year LGP unilaterally decided to modify the agreement/contract, which LGP claimed was not a contract but rather “..a non binding MoU”. This decision has required ROCS statewide to hold discussions and meetings with LGP, as the intent of the arrangement was to encourage ROC member Councils to use LGP contracts rather than undertake their own procurement and “split the market”. This matter will take some time to finalise.

Regional Ageing Strategy

- Under the NSW Government’s Northern Sydney Ageing Strategy, NSROC and the Councils of Northern Sydney have delivery responsibilities which are coordinated or delivered by NSROC. They are:

Regional Ageing Information Strategy

- *Action 1.1 Develop and integrated regional information strategy through multiple channels, and assess the case for a regional content management system*
Delivery Lead: NSROC and SHOROC

NSROC has progressed this strategy by reviewing the information services delivered by member Councils and the potential for tailoring existing web-based material to better address the needs of ageing residents. Three distinct groups have been identified and their needs scope – transition to retirement, active aged and frail aged.

Combating Social Isolation

- *Action 7.2 Facilitate projects to support people to connect to their communities, including socially isolated older people and those at risk.*
Delivery lead: Councils of Northern Sydney

Helping to reduce isolation is considered to be one of the most critical contributions local government can make to supporting well-being amongst older residents. A typology of the activities/programs contributing to reduced social isolation was developed by NSROC and all Councils contributed to a collation of such activities conducted or supported by Councils across the greater Northern Sydney region.

In considering how to add value to Councils’ activities in this space NSROC hosted a half-day professional development event, including industry specialists/experts to assist Community Services staff to share expertise on the contributing factors to social isolation and the optimal activities to which resources should be allocated to mitigate its impact.

Improving the accessibility of transport for older people

- *Action 5.4 Deliver a program to improve accessibility at bus stops.*
Delivery lead: Councils of Northern Sydney Delivery partners: Regional Organisations of Councils

This action is a requirement under the Commonwealth's *Disability Standards for Accessible Public Transport Act 2002*, and implementation is underway in all Councils.

Regional Sport/Recreation Facilities

Synthetics

- NSROC developed a suite of documents to assist Councils to convert or build regional synthetic sports facilities, including a *Regional Synthetics Plan* and a '*Lessons Learned*' Document to assist staff in implementing synthetic sportsfield projects. This project was a recommendation of the *Northern Sydney Regional Sportsground Strategy*.
- Revised synthetic sportsground fees for 2015-16 have been agreed to ensure consistent pricing across the region.
- Preliminary work has commented on a review of the Regional Sportsground Management Strategy which is due for revision/renewal.

Regional Pricing

- NSROC, in conjunction with the NSROC Recreation/Sports Staff Professional Officers Group have developed a consistent pricing framework for sporting facilities across the region. This consistent pricing arrangement has been endorsed by the NSROC Board and implemented by individual member councils as part of their Fees and Charges policy review process. Working towards consistent pricing for recreation facilities is a recommended action in the *Regional Sportsground Management Strategy*.

Promoting Collaboration, Joint Working & Continuous Improvement

- The professional officers groups serve as valuable links between our councils and are a well-established and effective tool for building the capabilities of our officers. The network of these groups supports continuous improvement in business processes, professional knowledge and shared learning in the disciplines of waste management, finance, planning, community services and sports field management.

Engagement/collaboration with Government

- NSROC continues to foster collaboration and joint working arrangements with Government agencies. This includes formal and informal meetings/briefings with senior government officers, as well as Members of Parliament and key advisors. This includes direct meetings with Government Ministers (including the Minister for Planning), presentations at NSROC Board meetings (Transport for NSW, Northern District Commissioner), meetings with GMAC (NSW Education) as well as many informal meetings and briefings throughout the year. These engagements provide valuable opportunities for advocating shared positions and influencing policy.

FINANCIAL REPORT 2016-17

Please find enclosed as **Attachment 1** the 2016/17 Financial Report for the Northern Sydney Regional Organisation of Councils.



ATTACHMENT 1 - NSROC 2016/17 FINANCIAL REPORT



**NORTHERN SYDNEY REGIONAL ORGANISATION
OF COUNCILS INC.**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2017**

Actual 2015/2016		Actual 2016/2017
\$		\$
	INCOME	
278,064	Contributions to Membership	71,184
327,796	EPA Waste Income	167,855
50,000	EPA Regional Projects (Other) Income	60,976
-	CRC Income outside Grant Funding	272,159
-	CRC Capital Contribution Income	47,974
5,000	Regional Project income	110,724
144,608	Rebates - group purchasing	250,049
6,547	Interest on investments	2,217
5,675	Interest on grant funding	3,712
33,310	Miscellaneous income	11,003
-	Net gain on sale of assets	999
-	Transfer from Reserves	-
<hr/> 851,000	TOTAL INCOME	<hr/> 998,852
	EXPENDITURE	
2,010	Advertising	4,350
2,050	Auditor's fees	3,750
157	Bank charges & filing fees	1,564
814	Telecommunications	1,147
22,192	Fee to host Council	22,391
49,126	EPA Waste Expenditure	64,059
61,996	EPA Regional Projects (Other) Expenditure	95,632
-	CRC Expenditure outside Grant Funding	211,883
-	CRC Amortisation on Leasehold Improvements	19,399
60,760	Regional Projects	145,925
178,885	Regional Waste Projects (other)	7,751
-	Communications/Printing	1,040
1,894	Meeting & room hire	2,012
6,768	Motor vehicle depreciation	5,076
7,950	Motor vehicle expenses	8,407
1,088	Office equipment	-
532	Office equipment depreciation	266
4,485	Professional development	-
32,286	Provision for annual leave	(18,425)
2,684	Provision for long service leave	5,848
387,042	Salaries and wages	332,436
36,108	Superannuation	32,635
688	Stationery	899
13,536	Sundry expenses	10,896
2,675	Travel expenses	887
6,094	Workers compensation & insurances	6,107
1,119	Website management	4,804
<hr/> 882,939	TOTAL EXPENDITURE	<hr/> 970,739
<hr/> (31,939)	SURPLUS (DEFICIT) FOR YEAR	<hr/> 28,113

NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

**BALANCE SHEET
AS AT 30 JUNE 2017**

2015/2016		2016/2017
\$		\$
ACCUMULATED FUNDS		
918,365	Balance at beginning of the year	886,423
(31,942)	Surplus/(deficit) for year	28,113
<u>886,423</u>	Balance at the end of the year	<u>914,536</u>
Represented by:		
CURRENT ASSETS		
273,948	Cash at bank and on hand	30,698
395,571	Fixed deposit	340,762
305,387	Fixed deposit EPA Waste Strategy	178,985
154,898	Fixed deposit EPA ST Grants	196,746
-	Fixed Term Deposit	64,625
330	Sundry debtors	297,501
19,583	Prepayments	-
<u>1,149,717</u>	TOTAL CURRENT ASSETS	<u>1,109,317</u>
FIXED ASSETS		
31,245	Motor vehicles	-
(10,941)	Accumulated depreciation - motor vehicles	-
1,690	Office Equipment	1,690
(1,160)	Office Equipment Depreciation	(1,426)
-	CRC - Leasehold Improvements	117,358
-	CRC - Leasehold Improvements Amortisation	(19,399)
<u>20,834</u>	TOTAL FIXED ASSETS	<u>98,223</u>
<u>1,170,551</u>	TOTAL ASSETS	<u>1,207,540</u>
CURRENT LIABILITIES		
232,614	Creditors	240,629
845	GST Payable/(Recoverable)	14,284
45,360	Provision for annual leave	26,935
-	Provision for long service leave	-
<u>278,819</u>	TOTAL CURRENT LIABILITIES	<u>281,848</u>
NON CURRENT LIABILITIES		
5,309	Provision for long service leave	11,156
<u>5,309</u>	TOTAL NON CURRENT LIABILITIES	<u>11,156</u>
<u>284,128</u>	TOTAL LIABILITIES	<u>293,004</u>
<u>886,423</u>	NET CURRENT ASSETS	<u>914,536</u>

NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

The directors of the association have prepared the financial statements of the association on the basis that the association is a non-reporting entity because there are no users' dependants on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the association and the information needs of the stakeholders.

The financial report has been prepared in accordance with the significant accounting policies discussed below, which the directors have determined are appropriate to meet the purpose of preparation. Such accounting policies are consistent with the previous years unless otherwise stated.

The financial statements have been prepared on an accrual 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:

(a) Cash and Cash Equivalents

Cash and cash 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(b) Employee Benefits

Provision for annual leave and long service leave arising from the employee services rendered are recognised and have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(c) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings are depreciated over the useful lives of the assets to the trust.

The carrying amount of plant and equipment is reviewed annually by trustees to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected cash flows have not been discounted in determining recoverable amounts.

(d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

**NOTES TO THE FINANCIAL STATEMENT FOR THE
YEAR ENDED 30 JUNE 2017**

Note 1 (continued)

(e) Goods and Services Tax (GST)

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

NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

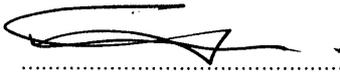
STATEMENT BY MEMBERS OF THE COMMITTEE

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 Northern Sydney Regional Organisation of Councils Inc. as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Northern Sydney Regional Organisation of Councils Inc. 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



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Scott Bennison
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Dated this 17..... day of 10..... 2017

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF NORTHERN SYDNEY REGIONAL ORGANISATION OF COUNCILS INC.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Northern Sydney Regional Organisation of Councils Inc, which comprises the balance sheet as at 30 June 2017, the statement of income and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and Directors Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- i. Giving a true and fair view of the financial position of Northern Sydney Regional Organisation of Councils as at 30 June 2017; and
- ii. Complying with relevant Australian Accounting Standards in accordance with the Associations Incorporation Act (NSW) 2009.

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 Northern Sydney Regional Organisation of Councils Inc in accordance with the auditor independence requirements of the Associations Incorporation Act (NSW) 2009 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 to assist the entity to meet the requirements of Associations Incorporations Act (NSW) 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 Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with applicable Australian Accounting Standards and Associations Incorporations Act (NSW) 2009 and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity'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.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity 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 a fair presentation.

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



Trumans
Chartered Accountant



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Partner

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27 October 2017



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