



Australian Government
Registered Organisations Commission

8 November 2022

Darriea Turley
Local Government NSW

Sent via email: lgnsw@lgnsw.org.au

Dear Darriea Turley,

Section 269 application for certificate stating financial affairs of reporting unit are encompassed by financial affairs of associated State body for year ended 30 June 2022 (FR2022/172)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of Local Government NSW for the financial year ended 30 June 2022. The application was lodged with the Registered Organisations Commission on 2 November 2022.

I have granted the application. The certificate is attached.

If you wish to discuss this matter, please contact Madeleine Hurrell (03) 9603 0988 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CE'.

Chris Enright
Executive Director
Registered Organisations Commission



Australian Government

Registered Organisations Commission

CERTIFICATE

Fair Work (Registered Organisations) Act 2009

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

Local Government NSW

(FR2022/172)

MR ENRIGHT

MELBOURNE, 8 NOVEMBER 2022

Reporting unit's financial affairs encompassed by associated State body

[1] On 2 November 2022 an application was made under s.269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by Local Government NSW (the reporting unit) for a certificate stating that the financial affairs of the reporting unit are encompassed by the financial affairs of Local Government NSW (the Association), an associated State body, in respect of the financial year ending 30 June 2022.

[2] On 2 November 2022, the reporting unit lodged a copy of the audited accounts of the Association with the Registered Organisations Commission.

[3] I am satisfied that the Association:

- is registered under the *Industrial Relations Act 1996 (NSW)*, a prescribed State Act; and
- is, or purports to be, composed of substantially the same members as the reporting unit; and
- has, or purports to have, officers who are substantially the same as designated officers in relation to the reporting unit; and
- is an associated State body.

[4] I am further satisfied that:

- the Association has in accordance with prescribed State legislation, prepared accounts, had those accounts audited, provided a copy of the audited accounts to its members and lodged the accounts with the relevant State authority;
- any members of the reporting unit who are not also members of the Association have been provided with copies of the accounts at substantially the same time as the members of the reporting unit who are members of the Association; and
- a report under s.254 of the Act has been prepared in respect of those activities of the reporting unit and has been provided to the members of the reporting unit with copies of the accounts.

[5] I am satisfied that the financial affairs of the reporting unit in respect of the financial year ending 30 June 2022, are encompassed by the financial affairs of the Association and I certify accordingly under s.269(2)(a) of the Act.



DELEGATE OF THE COMMISSIONER

Printed by authority of the Commonwealth Government Printer



Application for a certificate under s.269 – Reduced reporting requirements

Section 269 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*

Purpose of this form

This form is for use by reporting units which are seeking a certificate from the Registered Organisations Commissioner (**the Commissioner**) stating that a reporting unit's financial affairs are encompassed by an associated State Body.

Your answers to the following questions will help the Commissioner to make an informed decision on whether the reporting unit satisfies the requirements under Part 3 Chapter 8 of the RO Act. Part 3 of Chapter 8 sets out the requirements in relation to financial records, accounting, and auditing.

Eligibility

This form can be completed by a reporting unit where:

- the financial affairs of the reporting unit are encompassed by an associated State body; and
- the associated State body of the reporting unit is registered or recognised under a prescribed State Act; and
- the members of the reporting unit and the associated State body are substantially the same; and
- the officers of the associated State body are substantially the same as the designated officers of the reporting unit.



Before granting the certificate, the Commissioner must be satisfied that the reporting unit's financial affairs were encompassed by the financial affairs of the associated State body in a financial year. A certificate only applies to a financial year and if applicable, a new application must be made for any subsequent years.

Instructions for completing this form

Please read each part of the application carefully, fully answer all the questions, sign where indicated and attach the required documentation.



You must complete and submit:

- **Part A:** Reporting unit details
- **Part B:** Grounds, reasons and requirements for application
- **Part C:** Declaration and signature

Help filling in this form

The fact sheet [Reduced reporting requirements under Part 3 of Chapter 8](#) may help you interpret the eligibility criteria set out in the RO Act. Please note that the fact sheet does not constitute legal advice. Reporting units are encouraged to seek independent advice on how the relevant legislation applies to their particular circumstances.

The terms used in this application form are further defined in the [RO Act](#) and the [Regulations](#). The legislation can be found at www.legislation.gov.au.

If you require assistance or have any questions regarding this application process, please contact the Registered Organisations Commission general enquiries line on **1300 341 665** or email regorgs@roc.gov.au



Part A: Reporting unit details

1. Details of the reporting unit making the application

Reporting unit	Local Government NSW	
Financial year ending	30 June 2022	
Name of authorised person signing on behalf of the reporting unit	Darriea Turley AM	
Position of authorised person	President	
Contact person	Bruce Morcombe	
Contact details	bruce.morcombe@lgnsw.org.au	0419 224 189

Part B: Grounds, reasons, and requirements for application

2. Does the reporting unit have an industrial association (the associated State body)?

No	<input type="checkbox"/>	Reporting unit is unable to apply for a s.269 certificate
Yes	<input checked="" type="checkbox"/>	Provide name of the associated State body in the textbox below

Name of the associated State body	Local Government NSW
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3. Is the associated State body registered or recognised as such an association under a prescribed State Act?

No	<input type="checkbox"/>	Reporting unit is unable to apply for a s.269 certificate
Yes	<input checked="" type="checkbox"/>	Identify the applicable prescribed State Act below

Prescribed State Act	Industrial Relations Act 1996 (NSW)
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4. Is the associated State body composed of substantially the same members as the reporting unit?

No	<input type="checkbox"/>	Reporting unit is unable to apply for a s.269 certificate
Yes	<input checked="" type="checkbox"/>	

5. Are the associated State body's officers substantially the same as designated officers in relation to the reporting unit?

No	<input type="checkbox"/>	Reporting unit is unable to apply for a s.269 certificate
Yes	<input checked="" type="checkbox"/>	

6. Has the associated State body:

Prepared accounts in accordance with prescribed State Legislation?	Yes
Had those accounts audited?	Yes
Provided a copy of the audited accounts to its members?	Yes
Provided a copy of the audited accounts to any members of the reporting unit who are not also members of the associated State body?	NA
Lodged the accounts with the relevant State authority?	Yes

- A copy of the associated State body's audited accounts must be lodged with this application form.

7. Has the reporting unit

Prepared an Operating report under s.254 of the RO Act?	Yes
Provided a copy of the Operating report to members?	Yes

- A copy of the Operating report must be lodged with this application form.



Part C: Declaration and signature

Under the Act, the Commissioner can only grant a certificate when satisfied that the reporting unit's financial affairs are encompassed by the financial affairs of the associated State body in a financial year.

Declaration

In submitting this application on behalf of the reporting unit mentioned in Part A, I declare:

- that the financial affairs of the reporting unit are encompassed by the financial affairs of the above-mentioned associated State body.
- I am a designated officer of the reporting unit as per s.243 of the RO Act.
- the information that I have supplied in this application is complete and correct.
- I am aware that giving false or misleading information is a serious offence. A person who:
 - knowingly or recklessly makes a false or misleading statement in an application for registration; or
 - knowingly gives false or misleading information in an application for registration

is guilty of an offence, the punishment for which is imprisonment for up to 12 months (if a statement is made or information is provided knowingly) or up to 6 months (if a statement is made recklessly) – see Part 7.4, section 136 and 137.1 of the *Criminal Code*.

Printed name of designated officer	Darriea Turley AM
Signature	
Signature date	31 October 2022



Please lodge the completed form (including the documents referred to in Part B) with the Registered Organisations Commission by email to: regorgs@roc.gov.au.

ANNUAL REPORT

2021/22



ABOUT US

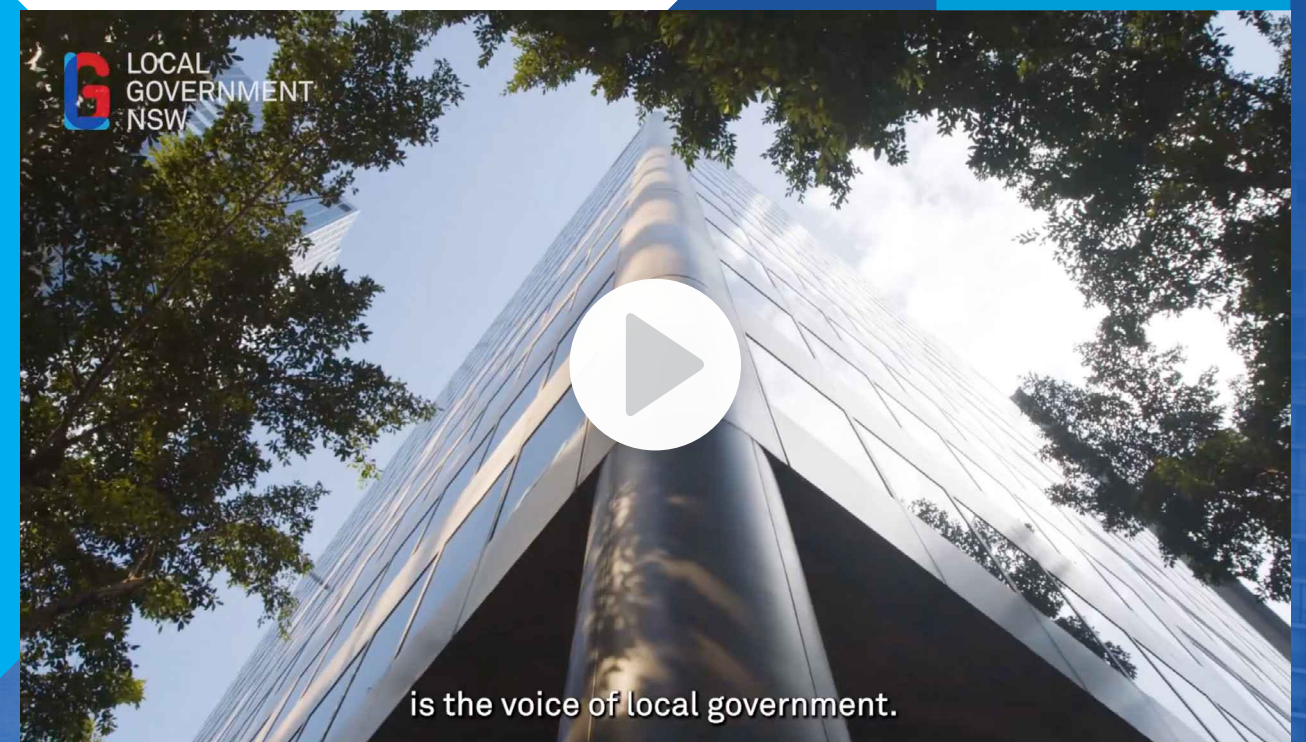
This **Annual Report** sets out the advocacy, value and support we've delivered to our members during 2021/22

ABOUT LGNSW

Local Government NSW (LGNSW) is the peak body representing New South Wales' local councils and associate members, including county councils, joint organisations and regional organisations of councils.

Our role is to represent, promote, advocate for, and support the local government sector to serve our communities.

WATCH 



PRESIDENT'S REPORT

I am proud to present Local Government NSW's Annual Report, which details our organisation's achievements as well as the value that we have provided to each of our members throughout 2021/22.

The past 12 months were another extremely challenging period for councils and the communities they represent.

Unprecedented floods devastated many parts of NSW, the COVID-19 pandemic continued to cause significant heartache and disruption, communities continued their long recovery from the severe 2019/20 bushfires, while economic headwinds started to place pressure on household budgets and cost-of-living measures.

It was councils that were once again on the front line helping their communities rebuild and recover from each of these significant challenges.

Crucially, LGNSW was able to play a leading role to help ensure councils received the support they required, with our advocacy efforts helping deliver billions in funding for the benefit of the local government sector.

Altogether we helped deliver:

- More than \$1b in emergency response and relief funding to support councils and residents affected by flooding events
- A \$200m Regional Recovery Package to help regional and rural councils invest in projects that will boost local economies
- \$300m in funding for the Accelerated Infrastructure Fund to assist councils to fast-track essential infrastructure



Cr Darriea Turley AM
LGNSW President

- \$40m towards rate relief for flood impacted communities as well as \$2.5m to extend rate relief for those who lost properties in the 2019/20 bushfires
- Funding of an \$18m grant program for metropolitan and rural councils to boost COVID-19 response efforts
- The reinstatement of the Council Job Retention Allowance, which provided \$1,500 a fortnight in financial support to local government employees whose jobs were impacted during the COVID-19 Delta lockdown
- \$43m to help cover council contributions towards future fire and emergency service costs

In addition, our sustained representations led to the Independent Pricing and Regulatory Tribunal (IPART) allowing 86 NSW councils to increase their rates above the 0.7 per cent annual baseline rate peg.

At a time when inflation is spiralling out of control, these modest rate increases of between 1.6 and 2.5 per cent will allow for councils to deliver the services and critical infrastructure communities and economies need.

We were also pleased to secure a commitment from the NSW Government to direct IPART to review the rate peg methodology, in line with LGNSW's call for a review and amendments to prevent future financial shocks to the sector.

Meanwhile, LGNSW and the local government sector joined in pushing back on the NSW Government's Infrastructure Contributions Bill 2021 that threatened to impact vital infrastructure contributions, and secured a commitment from the then Planning Minister that no council will be worse off under these reforms.

Of course, 2021/22 also saw the delayed local government elections take place, with the highest voter turnout rate in almost 20 years. After being delayed for 15 months, this was a win for democracy and pleasingly led to a dramatic rise in the number of women elected to councils.

Women now make up 39.5 per cent of all councillors (an increase of 8.5 per cent since 2017), which is a gratifying result due to the hard work put in by LGNSW, the Australian Local Government Women's Association (ALGWA) and the NSW Government to increase female representation in local government.

I would like to thank my fellow LGNSW Board and Committee members (past and present) for their commitment and countless efforts in 2021/22.

In particular, I would like to thank my predecessor, Cr Linda Scott, who completed her term as LGNSW President in December 2021.

Linda's dedication to the President's role delivered a number of outstanding achievements and she leaves a lasting legacy both at LGNSW and across the local government sector in NSW.

I would also like to thank LGNSW Chief Executive Scott Phillips and the hard-working LGNSW staff for all of the work they do for our members.

And of course, thank you to all of our members for your valued input, commitment and ongoing support of LGNSW.

As we look forward to 2022/23, LGNSW is in a strong position to continue to represent the interests of its members and I look forward to working with you all to achieve better outcomes for local government and the communities we represent.

LGNSW PRESIDENT
DARRIEA TURLEY, AM



CHIEF EXECUTIVE FOREWORD

LGNSW worked hard in 2021/22 as we continued to support our member councils during what was another extremely challenging period.

The ongoing COVID-19 pandemic, coupled with natural disasters and economic uncertainty weighed heavily on the local government sector, with councils across the state playing the leading role in helping their communities recover, rebuild and reset from these significant setbacks.

Despite the immense challenges encountered in 2021/22, I am proud to say that LGNSW has provided considerable value for our members, ensuring that local government has emerged stronger and more united than ever.

Unity is strength, and ending the financial year with 100 per cent membership meant that we were well positioned to deliver terrific outcomes for the councils and communities we serve.

This includes our advocacy efforts, which secured billions of dollars in funding to assist with the recovery effort from floods, bushfires and other natural disasters, boost local economies as well as contribute to vital infrastructure projects.

Our specialist member services continued to provide enormous benefits over the past 12 months, helping councils address industrial relations and employment issues as well as providing free expert legal advice.

I am particularly proud of our efforts to provide support once again to our member councils through various waves of the COVID-19 pandemic, providing valuable tools and communications to keep staff and communities abreast of requirements and responsibilities under public health orders.



Scott Phillips
Chief Executive

We were also able to deliver a full calendar of events and conferences, despite the challenges created by the COVID-19 pandemic, providing attendees with the chance to stay informed and network with their peers.

Our signature event – the LGNSW Annual Conference – was split into two components to accommodate the delayed local government elections that took place in early December 2021, with an online conference conducted in late November and then an in-person Special Conference held in early 2022.

In addition, we experienced record engagement with our accessible learning and development program, which enabled members to upskill and keep-up-to-date with important industry developments and knowledge.

This included Councillor induction forums that were held for Councillors elected at the December 2021 local government elections. These forums were designed to give not only newly elected Councillors but also returning Councillors the confidence to perform their roles effectively.

LGNSW's Management Solutions delivered a range of expert recruitment services and performance reviews, while the Careers at Council service proved an invaluable resource to identify, recruit and attract high-quality employees to local government in what has become an extremely competitive job market.

Our Local Government Procurement subsidiary, meanwhile, continued to go from strength-to-strength, providing millions of dollars worth of savings to the local government sector and providing free guidance to member councils on issues such as probity, governance, auditing and legislation compliance.

Pleasingly, we have achieved all of this and more while reporting close to a balanced budget and with our financial stability intact.

I would like to thank LGNSW President Cr Darriea Turley and her fellow board directors for their leadership and guidance.

I would also like to express my gratitude to all the LGNSW staff whose dedication, commitment and hard-work has delivered fantastic results for the local government sector.

Finally, I would like to thank all of our member councils for their ongoing support throughout 2021/22.

CHIEF EXECUTIVE SCOTT PHILLIPS



ADVOCACY HIGHLIGHTS

LGNSW's greatest strength lies in its strong and united membership: a voice for the public good that cannot be ignored. Our advocacy helps deliver funding and shape legislation and policy to achieve the best possible outcomes for councils and the communities we serve.

ENABLE FINANCIAL SUSTAINABILITY



Councils and the communities they serve are under greater financial pressure than ever before, as NSW seeks to restore its economy in the wake of natural disasters and a worldwide pandemic. Squeezed between the ever-increasing burden of cost shifting, the lowest baseline rate peg handed down in more than 20 years, and greater community demand for local infrastructure, services and support, financial sustainability for local government remains LGNSW's key advocacy objective. In the 2021/22 financial year, LGNSW advocacy on behalf of our members delivered:

- Reinstatement of the NSW Government's Council Job Retention Allowance of \$1,500 assistance a fortnight for eligible employees, to support employment in councils as COVID-19 lockdowns continued to impact NSW.
- New Additional Rate Variation (ARV) arrangements following the shock of the historically low 0.7% baseline rate peg handed down by IPART in 2022/23. In response to LGNSW advocacy, the Minister for Local Government announced that councils could apply for a special one-off rate variation to fund planned infrastructure and community services for 2022/23. All 86 councils that applied for an ARV were approved, avoiding an impact of up to \$100m to council budgets.
- A commitment from the NSW Government to direct IPART to review the rate peg methodology, in line with LGNSW's call for a review and amendments to prevent future financial shocks to the sector.
- \$43m for NSW councils to help cover their contribution towards the state's fire and emergency service costs next year (although this does not address the underlying problem of the Emergency Services Levy and the need for an alternative model for the funding of emergency services).

WATCH 



We are delighted to share our 8 advocacy priorities

PROTECT & INVEST IN SOCIAL AND COMMUNITY INFRASTRUCTURE



Local government owns and manages \$160b in infrastructure assets, including local roads, bridges, pedestrian and cycle networks, local water and sewerage utilities, stormwater and water management, regional airports, parks, pools, recreation, cultural, family and community services facilities, and a range of other infrastructure vital to liveable local communities. Financial year highlights from our ongoing work to turn the dial in this area included:

- More funding for road safety with the Federal Government allocating an additional \$1b in the 2021/22 Budget to continue road upgrades through the Road Safety Program.
- \$150m in new funding for the Federal Government's Remote Roads Upgrade Pilot Program, which responds to our ongoing advocacy for funding to improve road safety outcomes.
- Grants of up to \$500,000 for councils to improve high streets as part of the NSW Government's \$66m Alfresco Restart Initiative.
- A \$50m Play, Splash and Roam package for Greater Sydney, responding to LGNSW advocacy around the need for better public space and more recreation facilities. The package includes \$16.7m for new swimming and kayaking locations, \$16.7m for playgrounds and \$16.7m for new and upgraded regional trails and corridors connecting bushland, parks and gardens.
- \$145m for urgent repair and "build back better" replacement of water and sewerage critical infrastructure capacity in the Northern Rivers disaster-declared LGAs. This is a very significant amount of funding for local water utilities and represents a break from the policy of excluding water and sewerage infrastructure from disaster assistance
- LGNSW successfully pushed back on the NSW Government's Infrastructure Contributions Bill, which threatened to impact vital infrastructure contributions, and secured a commitment from the then Planning Minister that no council will be worse off under these reforms.



SUPPORT LOCAL GOVERNMENT IN COMMUNITY & ECONOMIC RECOVERY



If we are to overcome the compounding impacts of prolonged drought, bushfires, floods and COVID-19, we need a recovery: one driven from the ground up by local communities, local businesses, and local government. LGNSW jump-started the process in 2020/21 by ensuring councils received the support they needed to drive a locally led recovery. We continued to deliver in 2021/22, with highlights of the financial year including:

- \$283m for 195 projects in NSW councils and communities impacted by the 2019/20 bushfires, through the Federal Government's Bushfire Local Economic Recovery Fund.
- The NSW Government's \$200m Regional Recovery Package, assisting councils to contribute to a locally led recovery from COVID-19 through job creation, events and priority infrastructure projects.
- The NSW Budget announcing \$315.2m over four years to implement the recommendations of the NSW Bushfire Inquiry.
- Additional flood recovery commitments from the NSW and Federal Government including:
 - \$120m in a Local Council Support Package (which includes an additional \$2m for most highly impacted councils in Northern Rivers and an \$80m loan facility to support councils with their cashflow to alleviate financial hardship)
 - \$300m in clean-up costs for flood-affected areas
 - \$350m for a modular housing package for flood-affected communities
- \$120m for Aboriginal housing, including repair and reconstruction of Aboriginal community infrastructure
- \$40m in rate relief funded by the NSW Government
- \$1m each in immediate untied funding provided to 62 disaster-declared councils to assist with flood recovery
- \$434.7m to local government areas for clean-up efforts and removing debris
- \$551m to provide housing and rental assistance to flood-affected residents.



IMPROVE RESILIENCE TO NATURAL DISASTERS



Councils were on the frontlines throughout the darkest days of natural disaster in 2021/22, and LGNSW amplified its efforts by making local government's voice heard at the highest levels of government. As our members worked tirelessly to restore towns, services and homes, we not only fought for what they needed in the short term, but what they also need for the long haul – smart, strategic investment in resilience measures to fend off future disaster. Highlights for disaster resilience include:

- The NSW Government committing to reducing greenhouse gas emissions by 50 per cent by 2030, a positive step towards the target of net zero emissions by 2050 advocated for by LGNSW.
- The NSW Budget announcing a \$93.7m allocation to deliver the Climate Change Adaption Strategy, to strengthen and expand action to adapt to climate change now and over the long term.
- \$30m in new funding for councils as part of the Disaster Risk Reduction Fund, jointly funded by the Federal and NSW governments.
- \$36m for urgent works required to assess and repair flood levees across Northern NSW

ADDRESS THE HOUSING AVAILABILITY & AFFORDABILITY CRISIS



As the closest level of government to the community, councils see firsthand the impact of the housing crisis impacting metropolitan and regional NSW. While there remains a great deal more to do, in 2021/22 we saw some responses to our longstanding advocacy for greater state and federal investment in affordable and social housing. Highlights include:

- \$2.8b in overall measures in the NSW 2022/23 Budget to help address the housing crisis, including:
 - \$120m in the Accelerated Infrastructure Fund specifically dedicated to regional areas to help deliver infrastructure needed to unlock new housing.
 - \$300m for upgrades to 15,800 social housing properties.
 - \$33.8m to create a 10-year regional housing supply pipeline to make housing and infrastructure delivery more certain.
- Recognition in the findings of the Regional Housing Taskforce that the attribution of housing shortages to planning processes is overly simplistic, with key contributing factors identified as financial and taxation systems, population growth, demographic change and interest rates.
- \$30m for the Regional Housing Fund to provide eligible councils with funding for new infrastructure and open space projects that directly support the delivery of new housing supply.

IMPROVE RURAL & REGIONAL HEALTH SERVICES



While healthcare is a State and Federal Government responsibility, councils often find themselves with no choice but to take on additional responsibilities to support their communities. That's why we have consistently sought urgent action from the NSW and Federal governments to adequately and fairly fund the provision of healthcare across NSW. In 2021/22 we were pleased to see:

- Three new initiatives that aim to attract more health workers to regional NSW and support rural and regional patients who need to travel to access care, aligning directly with LGNSW's recent submission on rural and regional health cost shifting.
 - \$45.3m to deliver modern, sustainable accommodation for health workers close to health facilities in the Murrumbidgee, Southern NSW and Far West local health districts
 - \$30m to help attract and retain health care workers, including new scholarships for young people
 - \$23m to make it easier to access health care, including support for rural and regional patients who need to travel longer distances, and a new online tool to navigate local services.
- The NSW Government announced the establishment of a Regional Health Division for NSW Health, to develop a new Regional Health Plan, provide a single point of contact for issues including workforce attraction and retention, cross border issues and communication, enhance access to health and other social services, and support the response to recommendations of the NSW rural health inquiry.

ADDRESS SKILLS & LABOUR SHORTAGES



Councils are increasingly seeing demand for skills and labour outstrip supply, resulting in soaring costs and delayed investment. In 2021/22, LGNSW advocated for improved training pathways and action to address skills and labour shortages. Positive developments include:

- Funding was allocated in the State Budget to address skill shortages, including \$318.6m over two years to help job seekers retrain or upskill, and \$57.4m over four years to create a landmark Trades Skills Pathways Centre to address skills shortages in the NSW economy and support employment for women.
- From early 2022, the NSW Department of Planning and Environment has been running a Regional Housing Flying Squad (in response to LGNSW's advocacy about demands on council planning teams) which has given regional councils some welcome, albeit short term, resourcing assistance.
- LGNSW has established a successful Remote Skills Service to address skills gaps by sourcing contractors to deliver short-term projects.
- Careers at Council continues to promote local government as an employer of choice to job seekers, high school and university students, veterans and the general community.

INVEST IN BETTER WASTE, RECYCLING & CIRCULAR ECONOMY SOLUTIONS



No-one knows better than councils the significant challenges our nation faces from the increasing generation of waste and the lack of markets for Australian recycled content. In response to this approaching waste crisis, outcomes aligned with LGNSW advocacy include:

- The enactment of the Plastic Reduction and Circular Economy Act 2021, another advance in our Save Our Recycling campaign, which focuses on the need for NSW to transition to a circular economy, assisted by funding from the Waste Levy. The new legislation prohibits problematic or unnecessary plastic waste, sets new design standards and establishes product stewardship programs to promote the reuse of materials already in circulation.
- \$52.4m from the NSW Government to support the transition to sustainable materials and reduced carbon emissions. We continue our longstanding call for the NSW Government to reinvest the entirety of the \$800m revenue received from the Waste Levy into innovative waste, recycling and circular economy solutions.
- The NSW Environment Protection Authority has committed to funding regional waste coordinators for the next five years. These positions coordinate various stakeholders to deliver waste and resource recovery outcomes across NSW and provide invaluable support to councils securing grants, providing training and capacity building and rolling out regional waste strategies.



SPECIALISED MEMBER SERVICES

LGNSW is a registered employer organisation in NSW and federal industrial jurisdictions, and the only state local government association with this status. LGNSW represents the local government sector in more employment matters than any other organisation in NSW.

HELPING COUNCILS ADDRESS INDUSTRIAL RELATIONS & EMPLOYMENT ISSUES

In the 2021/2022 financial year, LGNSW's team of lawyers and advisors provided almost 3,070 advices to members. LGNSW also represents local government in matters before the Industrial Relations Commission of NSW, the Fair Work Commission, the Local Court and the Supreme Court. In total there were 157 matters in which LGNSW acted for members before courts and tribunals during the financial year, with slightly less than 90 per cent resolved or otherwise concluded.

SUPPORTING MEMBERS THROUGH THE PANDEMIC

With input and assistance from the Office of Local Government, the Workplace Relations team hosted regular webinars and online member forums to discuss the requirements of public health orders and help manage COVID-19 related employment issues throughout lockdowns and beyond. These sessions included:

- 14 discussion forums for general managers and human resources managers at member councils
- Seven online meetings for regional human resources managers, in recognition of the particular challenges faced by councils outside metropolitan areas

Three Special Online Forums to tackle the special requirements of 12 local government areas in Sydney designated by the State Government as "LGAs of Concern" and subject to even tighter pandemic restrictions.

LEGAL ADVICE

LGNSW's in-house legal advice on a range of legislative, code of conduct, procedural and commercial issues is based on a deep understanding of local government and associated legislative and regulatory requirements. In 2021/22, LGNSW's legal support to councils included 171 formal legal advices to mayors and general managers. This free, members-only service not only saves councils exorbitant legal fees but also helps safeguard them from potential future legal disputation, delivering value to members of between \$500,000 and \$1m each year.

Other legal services provided to members in 2021/22 included a councillor mentoring service, which supports elected members with confidential guidance and advice from highly respected former councillors on a range of issues.





GROWING GREAT CAREERS

MAKING MANAGEMENT EASIER

LGNSW's Local Government Management Solutions (LGMS) team is the recruitment service of choice for NSW councils, offering a dedicated focus and understanding of the needs of councils. Each and every dollar spent with LGMS is reinvested in local government through the provision of advocacy, representation, professional development and other support services. In 2021/22, LGMS delivered an extensive range of recruitment services and performance reviews, while LGNSW's new digital benchmarking platform enabled councils to make meaningful comparative performance assessments in an increasingly complex environment.

TOP-LEVEL EXECUTIVE RECRUITMENT & PERFORMANCE REVIEW SUPPORT

48	General Managers, senior staff and specialist roles recruited	86	Councils purchased LGNSW's Remuneration Reports
20	Councils provided HR services such as service level and IP&R reviews	77	Councils subscribed to HR Metrics
49	Performance reviews of senior staff from 44 councils	64	Councils opted for the full suite of data, incorporating Remuneration Report, HR Metrics, Finance and General Managers Reports

GROWING GREAT CAREERS AT COUNCIL

Developed by LGNSW in partnership with our fellow State and territory local government associations, Careers at Council offers a one-stop web destination for anyone considering a career in local government. This custom-designed jobs portal features an extensive range of job vacancies, all supported by targeted advertising campaigns.

An ongoing connection between the portal and the LinkedIn and Indeed platforms means all jobs advertised on Careers at Council also appear on both these websites at no additional cost to subscribing councils. Similarly, all suitable entry-level roles are sent directly to university graduates via GradConnection.

By the end of 2021/22, a total of 185 councils across Australia subscribed to the Careers at Council service. During the financial year the online portal attracted 301,630 users

– a significant 54 per cent increase on the previous financial year. It advertised more than 8,400 jobs and was visited by about 25,000 prospective employees each month. In total, the jobs advertised during the 2021/22 financial year generated 131,496 clicks from jobseekers, resulting in an average click rate of 15 per job.

“

...incredibly efficient, responsive and professional, no matter what service you might be accessing.

James Roncon
Armidale Regional Council
General Manager

”

“

... timely, impressive and professional services provided by LGNSW.

Mike Colreavy
Balranald Shire Council
Administrator

”



BUILDING NETWORKS OF EXCELLENCE

Councillors and council staff across NSW consistently nominate networking opportunities and learning and professional development workshops as one of the key benefits of their membership. Meeting and anticipating our members' needs in these areas are two specialist teams exclusively dedicated to delivering the tailored courses, conferences, summits and events that enable members to keep up-to-date, build knowledge and skills, debate the issues, network with their peers and exchange ideas.

WATCH 



LEARNING & DEVELOPMENT

Highly experienced facilitators with local government knowledge and experience deliver a range of tailored face-to-face and online professional development workshops. These learning opportunities support council staff, councillors and mayors to further develop the skills and knowledge required to meet the increasingly complex needs of the communities we serve.

1,156

Councillors took advantage of LGNSW learning and development services in 2021/22, seeking professional development in areas such as finance budgeting and reporting, local government planning, code of conduct, working with dignity and respect, chairing and effective meeting procedures, communicating council priorities, social media, speed reading and leadership skills.

2,712

Council Staff completed training and professional development workshops during the period in areas such as report and correspondence writing, code of conduct, business excellence, working with dignity and respect, minute taking, presentation skills and improving customer experience.

4,029

Members completed self-paced e-learning professional development compliance modules for staff designed to help their people perform to the best of their ability and help them deliver the best possible level of service to their communities.

EVENTS & CONFERENCES

LGNSW continued to deliver a full calendar of events and conferences throughout 2021/22, switching between in-person and online events and forums as required by COVID-19 public health orders to keep attendees informed and safe.

Almost 1,300 elected councillors and 1,160 council staff attended LGNSW events and conferences through 2021/22, assisting them to navigate the many challenges of a rapidly changing environment while preparing for a new post-COVID future.

Pandemic-related restrictions forced many of the sector's premium events back online. Impacted events included a series of specialist forums on planning issues, Closing the Gap and the Circular Economy; the Local Government Week Awards ceremony and dinner, and the LGNSW Environment Awards.

Our 2021 Annual Conference was also switched online in a truncated format in order to accommodate the long-delayed Local Government Election in December 2021. However, LGNSW members were able to convene again in person at a Special Conference held in Sydney in February 2022. This additional event incorporated extensive debate and democratic resolution by delegates on a wide range of council-submitted motions, ensuring members did not miss out on the opportunity to democratically set the sector's advocacy agenda for the year ahead.

For the remaining half of the financial year, in-person events were able to resume, allowing a return to the in-person networking benefits and opportunities our members have told us they prefer. These included LGNSW's Water Management Conference in Narrabri, the International Women's Day Lunch in Sydney, and the Destination and Visitor Economy Conference held in Orange.

“

A great opportunity for all associated with Local Government in NSW to be involved with decision-making for the future while also having access to networking events.

Cr Trina Thompson
Snowy Valleys Council

”

“

Motivating, inspiring, thought provoking ... just what we sometimes need to remind ourselves of why we do what we do.

Kelly van der Zanden
City of Parramatta
Group Manager City Design

”



LOCAL GOVERNMENT PROCUREMENT (LGP): CREATING AND DRIVING VALUE FOR COMMUNITIES

Established by the predecessor to LGNSW, LGP is a wholly owned company of LGNSW that helps councils and communities save time and money through bulk purchasing arrangements.

PROCUREMENT SOLUTIONS FOR THE SECTOR

FINANCIAL RESULTS

The 2021/22 financial year returned a gross surplus of \$2.7m before allocation of rebates. This was a slight increase on the previous year, providing LGNSW with revenue of \$1.19m and helping to ensure local government and associate member rates were kept as low as possible.

CONTRACTS NEGOTIATED FOR THE SECTOR

Councils collectively spent a total of \$720m through LGP contracts, delivering value through negotiated pricing, with access to leading and local suppliers reducing procurement risk. During the financial year the organisation had 33 contracts in operation, encompassing more than 1,060 LGP Approved Contractors. At the same time, LGP grew the new Major & Minor Works contract from \$3m council spend to more than \$42m. To help the sector meet its net zero commitments, LGP launched its first 100% Renewable Energy contract, along with a new Electric Vehicles and Charging Infrastructure contract.

GROWING THE PROCUREMENT SKILLS OF LOCAL GOVERNMENT

LGP delivered specialised procurement and contract management training, including e-learning programs, to almost 400 people during 2021/22. More than 25 non-accredited and customised on-site training courses were delivered in Sydney, regionally and online, with more than 50 students starting or completing one of the four accredited qualifications during this period.

Its work to grow procurement skills across the sector was enhanced by the award of unconditional registration of its newly acquired LG Training Academy (LGTA) for the maximum tenure of seven years. This means the organisation is eligible to deliver training through LGTA right across Australia, with three new qualifications - a Diploma of Project Management, Diploma of Leadership and Management, and a Diploma of Business - now in scope.

SERVICES & RESOURCES

In 2021/22 LGP launched the groundbreaking Procurement Capability Grant Program, which offers a new method of funding for innovative projects that enhance procurement capacity and capability in our sector. In conjunction with our Customer Reference Group, the organisation also released its first white paper: "Challenges of innovative projects and/or preferential treatment under the tendering process in NSW local government".



IN 2021/22,
LGP SAVED THE SECTOR

\$66 MILLION

and delivered training services to almost 400 local government staff. In addition, LGP allocated **\$953,000** in rebates for regional organisations of councils, joint organisations and councils.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FOR THE PUBLIC GOOD

LGP delivered 14 procurement projects during the fiscal year, including probity services, procurement transformations, independent chairperson engagements, video tutorials for council staff and local contractors and the traditional facilitation of Requests for Tenders. It produced and launched the Modern Slavery Toolkit for councils and suppliers, helping all parties ensure the entire procurement chain achieves the public good our communities expect and deserve.

The organisation also grew its Sustainable Choice network. Sixty four councils committed to Sustainable Choice with free membership that provides access to webinars, a comprehensive suite of online resources and general advice and guidance.

NETWORK EVENTS

LGP delivered eight free procurement and engineering network events attended by more than 230 local government staff, providing opportunities to hear and learn from guest speakers, collaborate with their peers and discuss current issues. A further 16 sustainability webinars, tender briefings and contract implementations were attended by more than 800 participants, although the ongoing pandemic pushed back the 14th LGP Annual Conference for an additional year to October 2022.

LGNSW BOARD

SPECIAL THANKS

A SPECIAL THANKS TO OUR OUTGOING BOARD MEMBERS IN 2021



PRESIDENT
Cr Darriea Turley AM
Broken Hill City Council



TREASURER
Cr Jerome Laxale
City of Ryde

VICE-PRESIDENT
Regional/Rural



Cr Scott Ferguson
Blayney Shire Council

DIRECTOR
Regional/Rural



Cr Dominic King
Bellingen Shire Council

VICE-PRESIDENT
Metropolitan/Urban



Cr Khal Asfour
City of Canterbury Bankstown

DIRECTOR
Metropolitan/Urban



Cr Julie Griffiths
Blacktown City Council

DIRECTOR
Regional/Rural



Cr Romola Hollywood
Blue Mountains City Council

DIRECTOR
Regional/Rural



Cr Nuatali Nelmes
City of Newcastle Council

DIRECTOR
Metropolitan/Urban



Cr George Greiss
Campbelltown City Council

DIRECTOR
Metropolitan/Urban



Cr Carmelo Pesce
Sutherland Shire Council

DIRECTOR
Regional/Rural



Cr Phyllis Miller OAM
Forbes Shire Council

DIRECTOR
Regional/Rural



Cr Jamie Chaffey
Gunnedah Shire Council

DIRECTOR
Metropolitan/Urban



Cr Karen McKeown OAM
Penrith City Council

DIRECTOR
Metropolitan/Urban



Cr Philipa Veitch
Randwick City Council

DIRECTOR
Regional/Rural



Cr Danielle Mulholland
Kyogle Council

DIRECTOR
Regional/Rural



Cr Cameron Walters
Wollongong City Council

DIRECTOR
Metropolitan/Urban



Cr Nathan Hagarty
Liverpool City Council

DIRECTOR
Metropolitan/Urban



Cr Michael Forshaw
Sutherland Shire Council

Cr Ruth Fagan
Cr Lesley Furneaux-Cook
Cr Mazhar Hadid
Cr Stephen Lawrence
Cr Dai Le
Cr Keith Rhoades AFSM
Cr Marianne Saliba
Cr Linda Scott
Cr Angelo Tsirekas



CORPORATE COMPLIANCE

LGNSW employees are dedicated people, skilled in their areas of technical expertise and committed to their work. As at 30 June 2022, LGNSW employed 65 staff (51 full-time, 14 part-time).

LGNSW BOARD

LGNSW is registered as an industrial organisation of employers under the *Industrial Relations Act 1996* (NSW) and separately under the *Fair Work (Registered Organisations) Act 2009* (Cth). The LGNSW rules, which are overseen by the Industrial Relations Commission of New South Wales (NSW) and the Registered Organisations Commission (Cth), provide for the democratic control of LGNSW by the members and detail the organisation's governance arrangements. In line with rule 17 of the LGNSW rules, a Conference of all ordinary and associate members is the supreme policy making body of LGNSW, and the LGNSW Board is responsible for the governance of LGNSW between Conferences, subject to the resolutions of any Conferences. There were 17 Board members at 30 June 2022.

In accordance with the Rules, the Board constituted a Senior Executive Group comprised of four Board Office holders - President Cr Darriea Turley AM, Metropolitan Vice-President Cr Khal Asfour, Regional/Rural Vice-President Cr Scott Ferguson, and Treasurer Cr Jerome Laxale, and four Board Directors Cr Dominic King and Cr Phyllis Miller OAM (Regional/Rural), and Cr Karen McKeown OAM and Cr Carmelo Pesce (Metropolitan).

The Board met five times during 2021/22, and the Senior Executive Group a further six times. Board working committees also met to provide guidance on key focus areas.

	2021				2022
	August	October	January	February	April
Linda Scott	✓	✓	N/A	N/A	N/A
Jerome Laxale	✓	✓	✓	✓	✓
Angelo Tsirekas	✓	✓	N/A	N/A	N/A
Stephen Lawrence	x	✓	N/A	N/A	N/A
Cameron Walters	✓	✓	✓	✓	✓
Dai Le	✓	✓	N/A	N/A	N/A
Darriea Turley	✓	✓	✓	✓	✓
Dominic King	✓	✓	✓	✓	✓
George Greiss	✓	✓	✓	✓	✓
Julie Griffiths	✓	✓	✓	✓	✓
Karen McKeown	✓	✓	✓	✓	✓
Keith Rhoades	✓	✓	N/A	N/A	N/A
Khal Asfour	✓	✓	✓	✓	✓
Lesley Furneaux-Cook	✓	✓	N/A	N/A	N/A
Marianne Saliba	✓	✓	N/A	N/A	N/A
Mazhar Hadid	✓	✓	N/A	N/A	N/A
Phyllis Miller	✓	✓	✓	✓	✓
Ruth Fagan	x	✓	N/A	N/A	N/A
Nathan Hagarty	N/A	N/A	✓	✓	✓
Scott Ferguson	N/A	N/A	✓	✓	✓
Jamie Chaffey	N/A	N/A	✓	✓	✓
Romola Hollywood	N/A	N/A	✓	✓	✓
Danielle Mulholland	N/A	N/A	✓	✓	✓
Nuatali Nelmes	N/A	N/A	✓	✓	✓
Carmelo Pesce	N/A	N/A	✓	✓	✓
Philipa Veitch	N/A	N/A	✓	✓	✓
Michael Foreshaw*	N/A	N/A	N/A	N/A	N/A

OUTGOING BOARD MEMBERS 2021
Cr Ruth Fagan, Cr Lesley Furneaux-Cook, Cr Mazhar Hadid, Cr Stephen Lawrence, Cr Dai Le, Cr Keith Rhoades AFSM, Cr Marianne Saliba, Cr Linda Scott, Cr Angelo Tsirekas.

N/A: Not elected to the Board at the relevant time.
*Ceased to be a board member on declaration of results of local government elections.

BOARD WORKING COMMITTEES

Board Working Committees as at 30 June 2022

Board working committees also met to provide strategic guidance on key focus areas. As at 30 June 2022 the Board working committees' key focus areas were member value (including campaigns and advocacy) and policy review.

MEMBER VALUE WORKING COMMITTEE

Chair: Cr Cameron Walters

Deputy Chair: Cr Nathan Hagarty

Members: Cr Jamie Chaffey
Cr Dominic King
Cr Karen McKeown OAM
Cr Carmelo Pesce

POLICY REVIEW WORKING COMMITTEE

Chair: Cr Danielle Mulholland

Deputy Chair: Cr Philipa Veitch

Members: Cr George Greiss
Cr Nathan Hagarty
Cr Romola Hollywood
Cr Nuatali Nelmes

Additional committees advising the Board included:

The Audit and Risk Committee monitors and provides oversight of the adequacy and effectiveness of LGNSW's risk management, internal control, internal and external audit, financial management and compliance functions under the Charter adopted by the Board in 2019. The Committee met four times in 2021/22.

	2021		2022	
	August	November	April	June
Carol Holley* (Chair)	x	N/A	N/A	N/A
Jan McClelland* (Chair)	✓	✓	✓	✓
Darriea Turley (LGNSW Board member)	✓	✓	N/A	N/A
Lesley Furneaux-Cook (LGNSW Board member)	x	✓	N/A	N/A
Elizabeth Gavey (Independent member)	N/A	N/A	✓	✓
Khal Asfour (LGNSW Board member)	N/A	N/A	✓	✓
Scott Ferguson (LGNSW Board Member)	N/A	N/A	✓	✓

* Carol Holley resigned as Chair in August 2021. *Jan McClelland was elected as Chair from November 2021.

N/A: Not a Member at the relevant time

The Industrial Advisory Committee, with responsibility for assisting and making recommendations to the Board in relation to industrial relations issues, met three times during 2021/22. The committee was chaired by Cr Linda Scott (to December 2021) and by Cr Jerome Laxale (from January to June 2022) while members also included Cr Darriea Turley AM, Cr Phyllis Miller OAM, and Cr Julie Griffiths. Committee membership also included four general managers, selected following a transparent application process and appointed by the LGNSW Board: Lindy Dietz (Campbelltown City Council); Jason Linnane (Singleton Council) (to December 2021); Matthew Stewart (City of Canterbury Bankstown) (to December 2021); Michael McMahon (Dubbo Regional Council) (to April 2021); Derek Francis (Bogan Shire Council) (from April 2021); Karina Ewers (Berrigan Shire Council) (from January 2022); and Gail Connolly (Georges River Council) (from January 2022 to June 2022).

The **Research and Innovation Committee**, with responsibility for providing high-level guidance regarding council and university engagement, assessing projects, and then selecting successful applicants, met once during 2021/22. The committee was chaired by Cr Linda Scott while members included Cr Khal Asfour, Cr George Greiss, Cr Dominic King, Dr Tim Robinson (Tim Robinson Professional Services), Dr Andrew Black (University of Sydney), David Sherley (Bathurst Regional Council) and Dominic Johnson (Mosman Council).

Assistance to the Board was also provided by our distinguished Trustees from:

- **A.R. Bluett Memorial Trust:**
Les McMahon (Chair), Paul Braybrooks OAM and Genia McCaffery.
- **Cr Pat Dixon Memorial Scholarship Trust:**
Mr Warren Roberts, Cr Dave Carter, Cr Dominic Wy Kanak and Cr Darriea Turley AM.

LGNSW extends its sincere gratitude to all the Trustees and committee members for their time and the care with which they undertook their roles during 2021/22.



GOVERNANCE



LEGISLATION & RULES

LGNSW is registered federally under the *Fair Work (Registered Organisations) Act 2009* (Cth) and in NSW under the *Industrial Relations Act 1996*. Each act requires compliance with a set of rules that govern how the Association operates. The rules cover object and powers, memberships, control and governance, the annual conference, the Board, finance and auditing. During the course of this financial year, the Board has finalised the establishment of a comprehensive set of delegations, policies and other governance controls for LGNSW.

SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

There were no significant changes in the Association's financial affairs during 2021/22.

RIGHTS OF MEMBERS TO RESIGN

Under section 174 of the *Fair Work (Registered Organisations) Act 2009* and Rule 8 of the LGNSW Rules, a member of an organisation may resign from membership by written notice addressed and delivered to the Chief Executive.

REPRESENTATION ON EXTERNAL BOARDS & COMMITTEES

LGNSW and the local government sector are represented on a wide range of external boards and committees, in addition to StateCover and Active Super. When vacancies arise LGNSW undertakes an open, transparent and merit-based expression of interest process to identify councillors interested in representing the sector on external boards and significant committees.

ACTIVE SUPER & STATECOVER

The LGNSW Board nominates four LGNSW Councillor Directors to the Board of StateCover and a LGNSW Chief Executive Director. LGNSW also nominates three directors to the Board of LGSS Pty Ltd (the trustee for Local Government Super now trading as Active Super). The Board undertakes an open, transparent and merit-based process to ensure the local government sector has strong representation on these significant boards. While the LGNSW Board makes the nomination, the final decision is made by the company.

LGNSW nominees are subject to rigorous assessment by Active Super and StateCover to ensure the nominees are fit and proper persons to be appointed and appropriately skilled.

REPRESENTATION AT 30 JUNE 2022

StateCover	Date appointed	Term Expires
Cr Sue McGinn OAM	19 April 2021	Annual General Meeting November 2023
Cr Glenn Inglis	19 April 2021	Annual General Meeting November 2023
Cr Jerome Laxale	10 September 2018 Re-appointed 20 November 2019	Annual General Meeting November 2022
Cr Samuel Ngai	20 November 2019	Annual General Meeting November 2022
Cr Khal Asfour (LGNSW Chief Executive Director)	1 April 2021	2 April 2024
Active Super	Date appointed	Term Expires
Cr Declan Clausen	26 March 2021	25 March 2025
Cr Nathan Hagarty	5 December 2021	4 December 2025
Cr Karen McKeown OAM	10 April 2018 Re-appointed 10 April 2022	9 April 2026



OFFICER & RELATED PARTY DISCLOSURE STATEMENT

in accordance with Section 293J Fair Work (Registered Organisations) Act 2009

I, Darriea Turley, being the President of Local Government NSW, declare the following Officer and Related Party Disclosure Statement.

Organisation Name: Local Government NSW
Branch Name: N/A
Financial year start date: 1 July 2021
Financial year end date: 30 June 2022

TOP FIVE OFFICERS RELEVANT REMUNERATION & NON-CASH BENEFITS

How many officers do you have who receive remuneration?

1 2 3 4 5 **5+**

Remuneration includes wages and salary (including superannuation), fees, allowances, benefits and other entitlements paid by the organisation AND payments from external board positions (even if not retained by the officer).

When all officers in Local Government NSW are ranked by relevant remuneration for the financial year, the following officers are ranked no lower than fifth:

Name	Office	Actual Amount of Relevant Remuneration (including superannuation)		Value of Relevant non-cash benefits	Form of relevant non-cash benefits
Cr Karen McKeown	Director	LGNSW	\$8,233.50	NIL	N/A
		External Boards	\$122,496.00		
		Total	\$130,729.50		
Cr Linda Scott	President (to 3 Dec 21)	LGNSW	\$82,271.08	\$1,352.37	Life and income protection insurance
		External Boards	\$41,248.12		
		Total	\$123,519.20		
Cr Darriea Turley	Director (to 3 Dec 21), President (from 4 Dec 21)	LGNSW	\$109,297.34	\$1,811.84	Life and income protection insurance
		External Boards	-		
		Total	\$109,297.34		
Cr Jerome Laxale	Treasurer	LGNSW	\$11,418.00	NIL	N/A
		External Boards	\$67,665.00		
		Total	\$79,083.00		
Cr Khal Asfour	Director	LGNSW	\$12,054.90	NIL	N/A
		External Boards	\$53,681.16		
		Total	\$65,736.06		

PAYMENTS TO RELATED PARTIES AND DECLARED PERSONS OR BODIES

Local Government NSW did not make any payments to related parties or declared persons or bodies that are required to be disclosed.

I declare that:

*the officers listed in this ORP statement are those whose relevant remuneration places them in the top five rankings of officers;

*the only officers in the top five rankings who received non-cash benefits are those for whom an amount is listed in the non-cash benefits column;

*the persons and entities listed under 'payments to related parties' are the only related parties or declared persons or bodies that are required to be disclosed under s.293G, where none are listed this is because there were no disclosable payments;

Signed by the officer:



Darriea Turley AM

Dated: 20 September 2022

OTHER OFFICERS – RELEVANT REMUNERATION AND NON-CASH BENEFITS

Name	Office	Actual Amount of Relevant Remuneration		Value of Relevant non-cash benefits	Form of relevant non-cash benefits
Cr Nathan Hagarty	From 4 Dec 21 Director	LGNSW	\$3,821.40	NIL	N/A
		External Boards	\$50,056.13		
		Total	\$53,877.53		
Cr Lesley Furneaux-Cook	To 3 Dec 21 Director	LGNSW	\$4,412.10	NIL	N/A
		External Boards	\$28,374.08		
		Total	\$32,786.18		
Cr Phyllis Miller	Director	LGNSW	\$12,031.80	NIL	N/A
		External Boards	\$2,495.00		
		Total	\$14,526.80		
Cr Julie Griffiths	Director	LGNSW	\$13,236.30	NIL	N/A
Cr Dominic King	Director	LGNSW	\$10,734.90	NIL	N/A
Cr Scott Ferguson	From 4 Dec 21 Director	LGNSW	\$7,642.80	NIL	N/A
Cr George Greiss	Director	LGNSW	\$6,959.70	NIL	N/A
		External Boards	\$242.00		
		Total	\$7,201.70		
Cr Cameron Walters	Director	LGNSW	\$6,322.80	NIL	N/A
Cr Keith Rhoades	To 3 Dec 21 Director	LGNSW	\$5,049.00	NIL	N/A
Cr Carmelo Pesce	From 4 Dec 21 Director	LGNSW	\$4,458.30	NIL	N/A
Cr Danielle Mulholland	From 4 Dec 21 Director	LGNSW	\$4,458.30	NIL	N/A
Cr Romola Hollywood	From 4 Dec 21 Director	LGNSW	\$4,458.30	NIL	N/A
Cr James Chaffey	From 4 Dec 21 Director	LGNSW	\$4,458.30	NIL	N/A
Cr Phillipa Veitch	From 4 Dec 21 Director	LGNSW	\$3,821.40	NIL	N/A
Cr Dai Le	To 3 Dec 21 Director	LGNSW	\$3,775.20	NIL	N/A
Cr Marianne Saliba	To 3 Dec 21 Director	LGNSW	\$3,161.40	NIL	N/A
Cr Mazhar Hadid	To 3 Dec 21 Director	LGNSW	\$2,524.50	NIL	N/A
Cr Angelo Tsirekas	To 3 Dec 21 Director	LGNSW	\$2,524.50	NIL	N/A
Cr Ruth Fagan	To 3 Dec 21 Director	LGNSW	\$1,250.70	NIL	N/A
Cr Stephen Lawrence	To 3 Dec 21 Director	LGNSW	\$636.90	NIL	N/A

GRANTS & DONATIONS

In 2021/22 LGNSW managed grants designed to assist councils deliver greater resilience to climate change through the Increasing Resilience to Climate Change program, with a final payment also made under the Building Resilience to Climate Change program.

LGNSW also managed grants awarded under the Greening our City (GOC) program, which is providing a total of \$21.5m in grants to Sydney metro councils to enhance urban tree canopy and green cover. Funded by the Department of Planning and Environment, a further \$800,000 was secured to support GOC grantees to manage flooding impacts and project variations.

Campbelltown City, Lake Macquarie City and Bathurst Regional councils were the recipients of the LGNSW Research and Innovation Fund for projects that deliver net zero emissions outcomes, incorporating contributions of more than \$52,000 from the NSW Department of Planning and Environment.

LGNSW also delivered grants to support councils to improve flying-fox habitat under the \$5m Flying-Fox Habitat Restoration Program, funded by the NSW Environmental Trust.

Building Resilience to Climate Change

Purpose: Providing council support to adapt to climate change

Funding provided by: NSW Department of Planning and Environment

Eurobodalla Shire Council	\$14,040.00
	\$14,040.00

Increase Resilience to Climate Change

Purpose: Providing council support to adapt to climate change

Funding provided by: NSW Department of Planning and Environment

Balranald Shire Council	\$16,500.00
Bega Valley Shire Council	\$22,000.00
Bland Shire Council	\$24,000.00
Canberra Region Joint Organisation (CRJO)	\$15,900.00
Newcastle City Council	\$13,000.00
Central Coast Council	\$22,720.00
Goulburn Mulwaree Council	\$18,561.00
Hawkesbury City Council	\$6,000.00
Lake Macquarie City Council	\$10,000.00
Nambucca Valley Council	\$6,000.00
Northern Beaches Council	\$22,000.00
Tweed Shire Council	\$20,940.00
Wagga Wagga City Council	\$21,400.00
Waverley Council	\$27,000.00
Wingecarribee Shire Council	\$7,963.63
Western Sydney Regional Organisation of Councils (WSROC)	\$103,600.00
	\$357,584.63

Flying Fox Habitat Restoration Program

Purpose: To help councils manage flying-foxes and work with local communities

Funding provided by: NSW Environmental Trust

Fairfield City Council	\$52,200.00
MidCoast Council	\$123,250.00
Singleton Council	\$52,900.00
	\$228,350.00

Greening Our City

Purpose: Providing funding for councils to increase tree canopy and green cover across the Greater Sydney Region.

Funding provided by: NSW Department of Planning and Environment

Bayside Council	\$246,338.00
Blacktown City Council	\$1,507,920.00
Blue Mountains City Council	\$104,679.00
Burwood Council	\$270,517.50
Camden Council	\$641,860.00
Campbelltown City Council	\$663,250.00
City of Canada Bay Council	\$973,450.00
City of Canterbury Bankstown	\$200,000.00
City of Parramatta	\$655,000.00
City of Ryde	\$125,000.00
City of Sydney	\$1,397,101.00
Cumberland Council	\$420,775.00
Fairfield City Council	\$87,600.00
Georges River Council	\$337,300.00
Hawkesbury City Council	\$719,300.00
Hornsby Shire Council	\$97,500.00
Hunters Hill Council	\$12,100.00
Inner West Council	\$82,200.00
Ku-ring-gai Council	\$116,050.00
Lane Cove Council	\$85,150.00
Liverpool City Council	\$162,500.00
Mosman Council	\$70,000.00
North Sydney Council	\$20,090.00
Northern Beaches Council	\$181,943.50
Penrith City Council	\$1,652,080.00
Randwick City Council	\$112,600.00
Strathfield Council	\$252,122.50
Sutherland Shire Council	\$45,250.00
The Hills Shire Council	\$17,612.50
Waverley Council	\$205,000.00
Western Sydney Regional Organisation of Councils (WSROC)	\$137,500.00
Wollondilly Shire Council	\$187,204.50
Woollahra Municipal Council	\$123,000.00
	\$11,909,993.50

Research & Innovation Fund

Purpose: To further research policy development and innovation relevant to local government.

Funding provided by: LGNSW and NSW Department of Planning and Environment

Bathurst Regional Council	\$8,337.50
Campbelltown City Council	\$8,337.50
Central Coast Council	\$30,000.00
Lake Macquarie City Council	\$5,700.00
Willoughby City Council	\$20,000.00
	\$72,375.00

MEMBER COUNCILS

As of 30 June 2022, all 128 general-purpose councils in NSW were members of LGNSW, representing a return to full membership of the organisation. The total number of members, including associate members, was 141.

ORDINARY MEMBERS

- | | | |
|-----------------------------------|---|------------------------------------|
| 1. Albury City Council | 28. City of Canterbury Bankstown | 55. Gwydir Shire Council |
| 2. Armidale Regional Council | 29. City of Newcastle | 56. Hawkesbury City Council |
| 3. Ballina Shire Council | 30. City of Parramatta | 57. Hay Shire Council |
| 4. Balranald Shire Council | 31. City of Ryde | 58. Hilltops Council |
| 5. Bathurst Regional Council | 32. City of Sydney | 59. Hornsby Shire Council |
| 6. Bayside Council | 33. Clarence Valley Council | 60. Hunters Hill Council |
| 7. Bega Valley Shire Council | 34. Cobar Shire Council | 61. Inner West Council |
| 8. Bellingen Shire Council | 35. Coffs Harbour City Council | 62. Inverell Shire Council |
| 9. Berrigan Shire Council | 36. Coolamon Shire Council | 63. Junee Shire Council |
| 10. Blacktown City Council | 37. Coonamble Shire Council | 64. Kempsey Shire Council |
| 11. Bland Shire Council | 38. Cootamundra-Gundagai Regional Council | 65. Kiama Municipal Council |
| 12. Blayney Shire Council | 39. Cowra Council | 66. Ku-ring-gai Council |
| 13. Blue Mountains City Council | 40. Cumberland City Council | 67. Kyogle Council |
| 14. Bogan Shire Council | 41. Dubbo Regional Council | 68. Lachlan Shire Council |
| 15. Bourke Shire Council | 42. Dungog Shire Council | 69. Lake Macquarie City Council |
| 16. Brewarrina Shire Council | 43. Edward River Council | 70. Lane Cove Council |
| 17. Broken Hill City Council | 44. Eurobodalla Shire Council | 71. Leeton Shire Council |
| 18. Burwood Council | 45. Fairfield City Council | 72. Lismore City Council |
| 19. Byron Shire Council | 46. Federation Council | 73. Lithgow City Council |
| 20. Cabonne Council | 47. Forbes Shire Council | 74. Liverpool City Council |
| 21. Camden Council | 48. Georges River Council | 75. Liverpool Plains Shire Council |
| 22. Campbelltown City Council | 49. Gilgandra Shire Council | 76. Lockhart Shire Council |
| 23. Carrathool Shire Council | 50. Glen Innes Severn Council | 77. Maitland City Council |
| 24. Central Coast Council | 51. Goulburn Mulwaree Council | 78. Mid-Western Regional Council |
| 25. Central Darling Shire Council | 52. Greater Hume Shire Council | 79. MidCoast Council |
| 26. Cessnock City Council | 53. Griffith City Council | 80. Moree Plains Shire Council |
| 27. City of Canada Bay Council | 54. Gunnedah Shire Council | 81. Mosman Council |

- | | | |
|--|------------------------------------|----------------------------------|
| 82. Murray River Council | 98. Randwick City Council | 114. Uralla Shire Council |
| 83. Murrumbidgee Council | 99. Richmond Valley Council | 115. Wagga Wagga City Council |
| 84. Muswellbrook Shire Council | 100. Shellharbour City Council | 116. Walcha Council |
| 85. Nambucca Valley Council | 101. Shoalhaven City Council | 117. Walgett Shire Council |
| 86. Narrabri Shire Council | 102. Singleton Council | 118. Warren Shire Council |
| 87. Narrandera Shire Council | 103. Snowy Monaro Regional Council | 119. Warrumbungle Shire Council |
| 88. Narromine Shire Council | 104. Snowy Valleys Council | 120. Waverley Council |
| 89. North Sydney Council | 105. Strathfield Council | 121. Weddin Shire Council |
| 90. Northern Beaches Council | 106. Sutherland Shire Council | 122. Wentworth Shire Council |
| 91. Oberon Council | 107. Tamworth Regional Council | 123. Willoughby City Council |
| 92. Orange City Council | 108. Temora Shire Council | 124. Wingecarribee Shire Council |
| 93. Parkes Shire Council | 109. Tenterfield Shire Council | 125. Wollondilly Shire Council |
| 94. Penrith City Council | 110. The Hills Shire Council | 126. Wollongong City Council |
| 95. Port Macquarie Hastings Council | 111. Tweed Shire Council | 127. Woollahra Municipal Council |
| 96. Port Stephens Council | 112. Upper Hunter Shire Council | 128. Yass Valley Council |
| 97. Queanbeyan-Palerang Regional Council | 113. Upper Lachlan Shire Council | |

ASSOCIATE MEMBERS

- | | | |
|---|---|--|
| 1. Castlereagh Macquarie County Council | 7. New England Weeds Authority | 12. Upper Macquarie County Council |
| 2. Central Tablelands Water | 8. Northern Sydney Regional Organisation of Councils (NSROC) | 13. Western Sydney Regional Organisation of Councils (WSROC) |
| 3. Far West Joint Organisation | 9. Riverina Water County Council | |
| 4. Goldenfields Water County Council | 10. Rous County Council | |
| 5. Hawkesbury River County Council | 11. Southern Sydney Regional Organisation of Councils (SSROC) | |
| 6. Kimbriki Environmental Enterprises Pty Ltd | | |



FINANCIAL STATEMENTS 2021/2022

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

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

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

Responsibilities of the Board for the Financial Report

The Board of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, the Industrial Relations Act 1996 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Independent Auditor's Report to the Members of Local Government and Shires Association of New South Wales

Opinion

We have audited the financial report of Local Government and Shires Association of New South Wales (the entity and its subsidiaries (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Boards' declaration.

In our opinion, the accompanying financial report of the Association is in accordance with the Industrial Relations Act 1996, including:

- Presenting fairly the Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Simplified Disclosures and the relevant Acts.

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 Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Other Information

The Board is responsible for the other information. The other information comprises the information contained in the Association's Annual Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the Association financial report. The auditor is responsible for the direction, supervision and performance of the audit. The auditor remains solely responsible for the audit opinion.

We communicate with the Board 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 the audit.

Crowe Sydney

Ash Pather
Partner

13 September 2022
Sydney

Local Government New South Wales

Board's declaration

30 June 2022

In the Board's opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 2 to the financial statements, and the Industrial Relations Act 1996;
- the attached financial statements and notes give a true and fair view of the Local Government NSW's and the Association's financial position as at 30 June 2022 and of their performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Local Government NSW will be able to pay its debts as and when they become due and payable.
- During the 2021/22 financial year and since the year ended 30 June 2022:
 - a) meetings of the committee of management were held in accordance with the rules of LGNSW;
 - b) the financial affairs of LGNSW have been managed in accordance with the rules of LGNSW; and
 - c) the financial records of LGNSW have been kept and maintained in accordance with the Industrial Relations Act 1996.

This statement is made and signed for and on behalf of Local Government New South Wales by:

Cr Darriea Turley AM
President

13 September 2022

Cr Nathan Hagarty
Treasurer

Local Government New South Wales
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	LGNSW Consolidated		LGNSW	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenue					
Membership subscription		5,535,755	5,337,381	5,535,755	5,337,381
Council services		3,843,197	2,784,662	3,056,846	1,968,875
Commission received	4	10,840,783	11,222,900	2,025,482	1,990,161
Conferences and seminars		1,782,250	677,175	1,782,250	639,113
Net investment income/(expense)	4	(711,361)	1,207,501	(712,745)	1,206,741
Trust distributions		-	-	1,430,926	1,582,580
Other revenue		979,754	811,079	634,201	527,757
		<u>22,270,378</u>	<u>22,040,698</u>	<u>13,752,715</u>	<u>13,252,608</u>
Grant income	5	14,237,805	6,531,151	14,237,805	6,481,151
Expenses					
Employee benefits expense	6	(13,697,919)	(13,476,075)	(8,353,359)	(8,147,157)
Affiliation fees	7	(626,105)	(612,882)	(626,105)	(612,882)
Administrative expenses	8	(4,749,544)	(4,260,035)	(3,170,435)	(2,461,921)
Grant expenses	5	(14,237,805)	(5,505,050)	(14,237,805)	(5,505,050)
Council services		(2,023,379)	(1,397,704)	(1,069,429)	(342,655)
Depreciation and amortisation expense	9	(1,068,187)	(1,097,362)	(610,068)	(648,265)
Legal costs	10	(60,523)	(61,267)	(47,414)	(16,658)
Audit and accounting fees		(125,223)	(88,699)	(86,120)	(62,299)
Gain/(loss) on sale of assets	11	21,541	(22,338)	15,866	1,006
Finance costs		(137,280)	(121,635)	(1,892)	(9,076)
Profit/(Loss) before income tax expense		(196,241)	1,928,802	(196,241)	1,928,802
Income tax expense		-	-	-	-
Profit/(Loss) after income tax expense for the year attributable to the owners of Local Government New South Wales	33	(196,241)	1,928,802	(196,241)	1,928,802
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on the revaluation of land and buildings		-	6,925,553	-	6,925,553
Other comprehensive income for the year, net of tax		-	6,925,553	-	6,925,553
Total comprehensive income for the year attributable to the owners of Local Government New South Wales		<u>(196,241)</u>	<u>8,854,355</u>	<u>(196,241)</u>	<u>8,854,355</u>

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Local Government New South Wales
Statements of financial position
As at 30 June 2022

	Note	LGNSW Consolidated		LGNSW	
		2022	2021	2022	2021
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	12	19,332,946	24,515,186	16,054,092	21,098,014
Trade and other receivables	13	6,895,176	5,416,079	6,235,467	4,903,760
Financial assets held at fair value through profit or loss	14	5,460,059	4,541,584	5,460,059	4,541,584
Financial assets held at amortised cost	15	312,159	322,665	312,159	322,665
Prepayments	16	534,633	640,124	259,616	480,908
Total current assets		<u>32,534,973</u>	<u>35,435,638</u>	<u>28,321,393</u>	<u>31,346,931</u>
Non-current assets					
Related party loan	17	-	-	1,492,468	1,253,979
Investments	18	3,000,000	3,000,000	3,000,000	3,000,000
Financial assets held at amortised cost	19	10,221,510	13,066,935	10,221,510	13,066,935
Land and buildings	20	16,123,677	16,446,569	16,123,677	16,446,569
Property, plant and equipment	21	608,278	899,016	524,849	777,134
Right-of-use assets	22	2,398,169	2,875,637	-	102,748
Intangible assets	23	114,756	133,688	5,916	9,849
Investment in associates	24	-	-	36	36
Total non-current assets		<u>32,466,390</u>	<u>36,421,845</u>	<u>31,368,456</u>	<u>34,657,250</u>
Total assets		<u>65,001,363</u>	<u>71,857,483</u>	<u>59,689,849</u>	<u>66,004,181</u>
Liabilities					
Current liabilities					
Trade and other payables	25	3,161,865	4,070,433	1,579,788	2,407,452
Lease liabilities	26	390,048	465,567	-	113,095
Short term provisions	27	2,511,250	2,192,169	1,842,729	1,564,161
Other liabilities	28	16,627,841	22,177,237	16,174,491	21,635,792
Total current liabilities		<u>22,691,004</u>	<u>28,905,406</u>	<u>19,597,008</u>	<u>25,720,500</u>
Non-current liabilities					
Lease liabilities	29	2,124,039	2,514,087	-	-
Long term provisions	30	207,637	263,066	114,816	109,415
Total non-current liabilities		<u>2,331,676</u>	<u>2,777,153</u>	<u>114,816</u>	<u>109,415</u>
Total liabilities		<u>25,022,680</u>	<u>31,682,559</u>	<u>19,711,824</u>	<u>25,829,915</u>
Net assets		<u>39,978,683</u>	<u>40,174,924</u>	<u>39,978,025</u>	<u>40,174,266</u>
Equity					
Settled sum	31	20	20	-	-
General funds	32	9,142,842	9,142,842	9,142,842	9,142,842
Retained earnings	33	30,835,821	31,032,062	30,835,183	31,031,424
Total equity		<u>39,978,683</u>	<u>40,174,924</u>	<u>39,978,025</u>	<u>40,174,266</u>

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

Local Government New South Wales
Statements of changes in equity
For the year ended 30 June 2022

	General funds \$	Settled sum \$	Retained earnings \$	Total equity \$
LGNSW Consolidated				
Balance at 1 July 2020	2,217,289	20	29,103,260	31,320,569
Profit after income tax expense for the year	-	-	1,928,802	1,928,802
Other comprehensive income for the year, net of tax	6,925,553	-	-	6,925,553
Total comprehensive income for the year	6,925,553	-	1,928,802	8,854,355
Balance at 30 June 2021	9,142,842	20	31,032,062	40,174,924
	General funds \$	Settled sum \$	Retained earnings \$	Total equity \$
LGNSW Consolidated				
Balance at 1 July 2021	9,142,842	20	31,032,062	40,174,924
Loss after income tax expense for the year	-	-	(196,241)	(196,241)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(196,241)	(196,241)
Balance at 30 June 2022	9,142,842	20	30,835,821	39,978,683
	General funds \$	Retained earnings \$	Total equity \$	
LGNSW				
Balance at 1 July 2020	2,217,289	29,102,622	31,319,911	
Profit after income tax expense for the year	-	1,928,802	1,928,802	
Other comprehensive income for the year, net of tax	6,925,553	-	6,925,553	
Total comprehensive income for the year	6,925,553	1,928,802	8,854,355	
Balance at 30 June 2021	9,142,842	31,031,424	40,174,266	
	General funds \$	Retained earnings \$	Total equity \$	
LGNSW				
Balance at 1 July 2021	9,142,842	31,031,424	40,174,266	
Loss after income tax expense for the year	-	(196,241)	(196,241)	
Other comprehensive income for the year, net of tax	-	-	-	
Total comprehensive income for the year	-	(196,241)	(196,241)	
Balance at 30 June 2022	9,142,842	30,835,183	39,978,025	

Local Government New South Wales
Statements of cash flows
For the year ended 30 June 2022

	Note	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Cash flows from operating activities					
Receipts from customers		35,653,419	26,674,588	25,830,854	16,333,664
Payments to suppliers and employees		(35,294,918)	(24,814,182)	(27,248,346)	(16,252,207)
Investment income		417,070	375,138	415,686	374,378
Net cash from/(used in) operating activities	41	775,571	2,235,544	(1,001,806)	455,835
Cash flows from investing activities					
Payment for purchase of business		-	(90,000)	-	-
Proceeds from sale of property, plant and equipment		37,308	-	31,150	-
Net movements in investments		809,025	(28,446)	809,025	(28,446)
Payments for property, plant and equipment	21	(30,430)	(167,525)	-	(34,958)
Payments for intangibles	23	-	(56,800)	-	(11,800)
Net cash from/(used in) investing activities		815,903	(342,771)	840,175	(75,204)
Cash flows from financing activities					
Net distributions received from related parties	42	-	-	1,318,818	1,604,664
Net movement in government grant funds		(6,233,788)	11,356,202	(6,149,043)	11,171,457
Repayment of lease liabilities		(539,926)	(527,258)	(52,066)	(133,649)
Net cash from/(used in) financing activities		(6,773,714)	10,828,944	(4,882,291)	12,642,472
Net increase/(decrease) in cash and cash equivalents		(5,182,240)	12,721,717	(5,043,922)	13,023,103
Cash and cash equivalents at the beginning of the financial year		24,515,186	11,793,469	21,098,014	8,074,911
Cash and cash equivalents at the end of the financial year	12	19,332,946	24,515,186	16,054,092	21,098,014

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

The above statements of cash flows should be read in conjunction with the accompanying notes

Note 1. Statement by the Board

The financial statements cover both Local Government New South Wales as an individual entity and the Association consisting of Local Government New South Wales and the entities it controlled at the end of, or during, the year, together referred to as "the Association". The financial statements are presented in Australian dollars, which is the Association's functional and presentation currency.

The financial statements were authorised for issue on 13 September 2022.

Note 2. 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.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board ('AASB'), the Associations Incorporations Act 2009, and the Industrial Relations Act 1996. For the purpose of preparing the general purpose financial statements, Local Government New South Wales is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Comparative amounts

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Note 2. Significant accounting policies (continued)

Principals of Consolidation

The following is the list of consolidated entities. All consolidated entities have a 30 June financial year end.

Association

By agreement dated 5 September 1994, and amended by agreement dated 26 July 2002, the Local Government Association of New South Wales ("LGA") and the Shires Association of New South Wales ("SA") (collectively referred to as "LGNSW") established an unincorporated joint venture (the "Secretariat") to be a joint operating fund. As from 1 March 2013 a new constitution came into effect, amalgamating the Local Government Association of NSW "LGA NSW" and the Shires Association of NSW "SA NSW" into a single organisation, namely the Local Government and Shires Association of New South Wales (the "Association"), known as Local Government NSW.

Local Government Procurement Partnership

Local Government Procurement Partnership is a partnership established on 18 November 2005. The partners of Local Government Procurement Partnership are LGP (LGA NSW) Pty Ltd and LGP (SA NSW) Pty Ltd, both companies are incorporated and domiciled in Australia. The principal activity of the partnership during the financial year was providing tendering and purchasing services.

Local Government Procurement Pty Ltd

Local Government Procurement Partnership Pty Ltd is a proprietary company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company manages the principal activities of Local Government Procurement Partnership.

LGP (LGA NSW) Pty Ltd

LGP (LGA NSW) Pty Ltd is a proprietary company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company acts solely as trustee of LGP (LGA NSW) Trust.

LGP (SA NSW) Pty Ltd

LGP (SA NSW) Pty Ltd is a proprietary company incorporated and domiciled in Australia. The company was incorporated on 18 November 2005. The company acts solely as trustee of LGP (SA NSW) Trust.

LGP (LGA NSW) Trust

LGP (LGA NSW) Trust was formed on 8 December 2005. The beneficiary of the Trust is the Association as defined above.

LGP (SA NSW) Trust

LGP (SA NSW) Trust was formed on 8 December 2005. The beneficiary of the Trust is the Association as defined above.

Australian Academy of Transformative Education Pty Ltd

On 26 March 2021, the Local Government Procurement Partnership acquired 100% of the share capital of Australian Academy of Transformative Education Pty Ltd. The company is a registered training organisation, and activity commenced in the financial year.

All intercompany balances and transactions including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the Association.

Note 2. Significant accounting policies (continued)

Revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the 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. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grant income and other contributions

Grants and other contributions are received on the condition that specified services are delivered, or conditions are fulfilled. These funds are initially recognised as a liability when received, and subsequently recognised as income as services are performed or conditions are fulfilled. Funds from non-reciprocal grants and other contributions that are not subject to conditions are recognised as income when the Association receives the funds.

Interest

Interest revenue is recognised as interest accrues 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 discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Procurement commission

Commission income represents amounts raised against suppliers and contractors, based on commission rates as agreed to between the parties upon entering procurement contracts and the level of financial activity between suppliers and contractors and the partnership's customers, as reported to the partnership during the financial year.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the service to customers.

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

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Note 2. Significant accounting policies (continued)

Provision is made for separation and redundancy benefit payments. The Association recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

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.

Trade and other receivables

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

The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Collectability of debts is reviewed at end of the reporting period. Allowances are made at 10% of 90 days due or the actual amount when collectability of the debt is no longer probable.

Financial assets and liabilities

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Association has the objective to hold the asset to collect contractual cash flows. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Note 2. Significant accounting policies (continued)

Impairment of financial assets

The Association assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise grant; it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Association derecognises financial liabilities when, and only when, the reporting unit obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Land, buildings, plant and equipment

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations - land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Note 2. Significant accounting policies (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Buildings	2.5%	40 years
Furniture, Fixtures and Fittings	10%	10 years
Motor Vehicles	18.75%	5.3 years
Office Equipment	20%	5 years
Computer Equipment	33%	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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 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 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

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Website & Software Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Significant costs associated with the development of the revenue generating aspects of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 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.

Taxation

The Association is exempt from income tax under section 50.15 of the Income Tax Assessment Act 1997 however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- for receivables and payables; or
- where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Settled sum

Ordinary units are classified as equity.

Incremental costs directly attributable to the issue of new units or options are shown in equity as a deduction, net of tax, from the proceeds.

Investment - StateCover Mutual Limited

LGNSW has facilitated the establishment and management of pooled Workers Compensation Insurance for its members, by way of a limited public company.

As part of this, LGNSW has provided \$3.0 million (in return for shares) to ensure that prudent financial reserve ratios required by APRA could be met. A fee is paid to LGNSW for this facilitation, governance and other services. The shares do not entitle the LGNSW to any share of profits, distributions or capital growth. The shares are held at cost.

Members of the scheme are fully responsible under the terms of insurance (and the company's constitution) to ensure that the company's prudential solvency requirements are met by way of Capital Shortfall calls and thereby maintain the level of LGNSW's share capital.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Association tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Accrued income

The Association recognises accrued income amounts in respect of estimated commissions earned from contracts placed with suppliers on behalf of member councils. The calculation of this accrual requires assumptions of historical trends and expected services rendered prior to the reporting date.

Note 4. Net investment income/(expense) and commissions received

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Investment income				
Interest from deposits held with financial institutions	271,876	295,410	270,492	294,650
Dividend income from equity portfolio	130,590	77,785	130,590	77,785
Equity portfolio - unrealised gains/(losses)	(775,597)	336,264	(775,597)	336,264
Held to maturity - unrealised gains/(losses)	(352,834)	496,100	(352,834)	496,100
Gain/(loss) on sale of financial instruments	14,604	1,942	14,604	1,942
Total investment income generated	<u>(711,361)</u>	<u>1,207,501</u>	<u>(712,745)</u>	<u>1,206,741</u>

Note 4. Net investment income/(expense) and commissions received (continued)

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
Commissions received				
Commission - JLT	497,866	534,078	497,866	534,078
Commission - Statecover	1,347,616	1,276,083	1,347,616	1,276,083
Commission - procurement	8,815,301	9,232,739	-	-
Management fees	180,000	180,000	180,000	180,000
Total commissions received	<u>10,840,783</u>	<u>11,222,900</u>	<u>2,025,482</u>	<u>1,990,161</u>

Note 5. Grant income

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Grants received	14,237,805	5,505,051	14,237,805	5,505,051
JobKeeper received	-	926,100	-	926,100
Cash flow boost received	-	100,000	-	50,000
	<u>14,237,805</u>	<u>6,531,151</u>	<u>14,237,805</u>	<u>6,481,151</u>
	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Grants paid that were less than \$1,000	(2,340)	-	(2,340)	-
Grants paid that were \$1,000 or more	(12,507,628)	(4,098,600)	(12,507,628)	(4,098,600)
Grant administration expenses	(1,727,837)	(1,406,450)	(1,727,837)	(1,406,450)
	<u>(14,237,805)</u>	<u>(5,505,050)</u>	<u>(14,237,805)</u>	<u>(5,505,050)</u>

The Association does not fund grants and donations in its own capacity, but only acts in the capacity of an administrator of the respective grant programs. Administration includes providing managerial facilitation services and ensuring that grant funds and related donations are applied to meet the grants' objectives.

Note 6. Employee benefits expense

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Holders of office				
Wages and salaries	(169,150)	(163,462)	(169,150)	(163,462)
Superannuation	(16,928)	(15,529)	(16,928)	(15,529)
	<u>(186,078)</u>	<u>(178,991)</u>	<u>(186,078)</u>	<u>(178,991)</u>
Employees other than office holders				
Wages and salaries	(10,840,744)	(10,729,600)	(6,558,967)	(6,530,166)
Superannuation	(1,157,345)	(1,110,062)	(715,541)	(705,750)
Leave and other entitlements	(314,439)	(195,381)	(278,943)	(69,646)
Other employee expenses	(1,199,313)	(1,262,041)	(613,830)	(662,604)
	<u>(13,511,841)</u>	<u>(13,297,084)</u>	<u>(8,167,281)</u>	<u>(7,968,166)</u>
	<u>(13,697,919)</u>	<u>(13,476,075)</u>	<u>(8,353,359)</u>	<u>(8,147,157)</u>

Note 7. Affiliation fees

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Australian Local Government Association	(626,105)	(612,882)	(626,105)	(612,882)

This reflects the NSW contribution to the Australian Local Government Association, a federation of state and territory local government associations, which provides national advocacy representation for councils across the country.

Note 8. Administration expenses

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fees/allowances - meeting and conferences	(142,094)	(161,886)	(142,094)	(161,886)
Conference and meeting expenses	(1,053,247)	(414,816)	(986,400)	(297,370)
Contractors/consultants fees	(687,098)	(961,653)	(208,265)	(264,483)
Governance expenses	(54,809)	(28,470)	(54,809)	(28,470)
Property expenses	(350,526)	(398,639)	(349,340)	(344,835)
Office expenses	(173,040)	(202,271)	(106,325)	(120,314)
Information communications technology expenses	(701,215)	(759,560)	(500,623)	(482,618)
Other administration expenses	(1,555,580)	(1,258,149)	(822,579)	(761,945)
	(4,717,609)	(4,185,444)	(3,170,435)	(2,461,921)
Lease expenses:				
Low value and short term lease payments	(31,935)	(74,591)	-	-
Total administration expenses	(4,749,544)	(4,260,035)	(3,170,435)	(2,461,921)

All other leases have been accounted for in accordance with AASB 16. Refer to Note 22 for details.

Note 9. Depreciation and amortisation

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Depreciation</i>				
Buildings	(322,892)	(252,226)	(322,892)	(252,226)
Property, plant and equipment	(305,401)	(327,391)	(237,001)	(270,776)
Right of use assets	(420,962)	(498,032)	(46,242)	(123,312)
	(1,049,255)	(1,077,649)	(606,135)	(646,314)
<i>Amortisation</i>				
Website	(18,932)	(19,713)	(3,933)	(1,951)
	(1,068,187)	(1,097,362)	(610,068)	(648,265)

Note 10. Legal costs

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
General legal matters	(60,523)	(61,267)	(47,414)	(16,658)

Note 11. Net gain/(loss) on sale or disposal of assets

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Plant and equipment	21,541	(22,338)	15,866	1,006

Note 12. Current assets - cash and cash equivalents

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash on hand	1,056	2,056	1,000	1,000
Cash at bank - Association funds	11,303,839	9,747,380	8,455,057	6,760,160
Cash at bank - Grant funds	7,598,035	14,336,854	7,598,035	14,336,854
Cash on deposit	430,016	428,896	-	-
	19,332,946	24,515,186	16,054,092	21,098,014

Note 13. Current assets - trade and other receivables

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade receivables	6,724,663	5,152,336	4,829,891	3,319,046
Less: Allowance for expected credit losses	(106,271)	(2,231)	(3,836)	(78)
	6,618,392	5,150,105	4,826,055	3,318,968
Receivable from LGP (LGA NSW) Trust*	-	-	596,219	659,409
Receivable from LGP (SA NSW) Trust*	-	-	596,219	659,409
Interest and other receivables	820	-	820	-
GST receivable	275,964	265,974	216,154	265,974
	6,895,176	5,416,079	6,235,467	4,903,760

The Association does not have significant concentration of credit risk with respect to any single counterparty and manages its exposure as outlined in note 34.

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
*Distributions receivable from Local Government Procurement Partnership				
Receivable from LGP (LGA NSW) Trust	-	-	715,463	791,290
Receivable from LGP (SA NSW) Trust	-	-	715,463	791,290
Loan retained by Local Government Procurement Partnership for working capital	-	-	(238,488)	(263,762)
	-	-	1,192,438	1,318,818

The amounts represented above represent the allocation of the partnership's net profit, as distributed in line with the underlying agreement of the partnership with LGNSW. Refer to note 17 for further information.

Note 14. Current assets - financial assets held at fair value through profit or loss

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Equity portfolio	5,460,059	4,541,584	5,460,059	4,541,584

Note 15. Current assets - financial assets held at amortised cost

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Call account	312,159	322,665	312,159	322,665

Note 16. Current assets - prepayments

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Prepayments	523,627	604,708	248,610	445,492
Premium on investments	11,006	35,416	11,006	35,416
	534,633	640,124	259,616	480,908

Note 17. Non-current assets - related party loan

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Loans to related parties - Local Government Procurement Partnership	-	-	1,492,468	1,253,979

This represents the level of working capital that Local Government Procurement Partnership requires to operate on a day to day basis.

As from the 2017/18 financial year onwards, the LGP Board endorsed a surplus distribution plan whereby the annual LGP surplus is allocated with 40% to councils and related entities as rebates, based on spend, with the remainder being allocated to the LGNSW. As part of the arrangements, an equivalent loan of 10% of the annual LGP surplus is made available by LGNSW back to the LGP partnership for working capital purposes.

Note 18. Non-current assets - investments

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Shares in StateCover Mutual Limited, held at cost	3,000,000	3,000,000	3,000,000	3,000,000

Refer to note 2 for further information on the nature of the investment in StateCover Mutual Limited.

Note 19. Non-current assets - financial assets held at amortised cost

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Term deposit - Commonwealth Bank of Australia	250,000	250,000	250,000	250,000
Fixed interest - National Australia Bank	4,794,337	4,938,031	4,794,337	4,938,031
Fixed interest - Bank of Queensland	1,918,190	1,006,700	1,918,190	1,006,700
Fixed interest - Bendigo Bank	1,248,643	4,076,917	1,248,643	4,076,917
Fixed interest - Westpac Bank	-	1,737,027	-	1,737,027
Fixed interest - Macquarie Bank	2,010,340	1,058,260	2,010,340	1,058,260
	10,221,510	13,066,935	10,221,510	13,066,935

Note 20. Non-current assets - land and buildings

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Land and buildings - at fair value	16,500,000	16,500,000	16,500,000	16,500,000
Less: Accumulated depreciation	(376,323)	(53,431)	(376,323)	(53,431)
	16,123,677	16,446,569	16,123,677	16,446,569

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	16,446,569	9,773,242	16,446,569	9,773,242
Revaluation of land and buildings	-	6,925,553	-	6,925,553
Depreciation expense	(322,892)	(252,226)	(322,892)	(252,226)
Closing fair value	16,123,677	16,446,569	16,123,677	16,446,569

Note 21. Non-current assets - property, plant and equipment

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fixtures and fittings - at cost	501,274	501,274	489,244	489,244
Less: Accumulated depreciation	(126,417)	(76,559)	(118,957)	(70,033)
	374,857	424,715	370,287	419,211
Motor vehicles - at cost	-	60,311	-	33,784
Less: Accumulated depreciation	-	(40,393)	-	(13,866)
	-	19,918	-	19,918
Office equipment - at cost	1,275,047	1,246,407	823,924	823,924
Less: Accumulated depreciation	(1,042,126)	(792,524)	(669,862)	(486,419)
	232,921	453,883	154,062	337,505
Paintings and artworks	500	500	500	500
	608,278	899,016	524,849	777,134

Note 21. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold Improvements \$	Fixtures and Fittings* \$	Motor Vehicles \$	Office Equipment \$	Total \$
LGNSW Consolidated					
Balance at 1 July 2020	26,853	475,009	26,252	560,594	1,088,708
Additions	-	-	-	167,525	167,525
Disposals	-	-	-	(6,482)	(6,482)
Write off of assets	(23,344)	-	-	-	(23,344)
Depreciation expense	(3,509)	(49,794)	(6,334)	(267,754)	(327,391)
Balance at 30 June 2021	-	425,215	19,918	453,883	899,016
Additions	-	-	-	30,430	30,430
Disposals	-	-	(15,284)	(483)	(15,767)
Depreciation expense	-	(49,858)	(4,634)	(250,909)	(305,401)
Balance at 30 June 2022	-	375,357	-	232,921	608,278

* For the purposes of reconciliation, Fixtures and Fittings includes the Paintings and Artworks balance.

	Fixtures and Fittings* \$	Motor Vehicles \$	Office Equipment \$	Total \$
LGNSW				
Balance at 1 July 2020	468,635	26,252	520,564	1,015,451
Additions	-	-	34,958	34,958
Disposals	-	-	(2,499)	(2,499)
Depreciation expense	(48,924)	(6,334)	(215,518)	(270,776)
Balance at 30 June 2021	419,711	19,918	337,505	777,134
Disposals	-	(15,284)	-	(15,284)
Depreciation expense	(48,924)	(4,634)	(183,443)	(237,001)
Balance at 30 June 2022	370,787	-	154,062	524,849

* For the purposes of reconciliation, Fixtures and Fittings includes the Paintings and Artworks balance.

Note 22. Non-current assets - right-of-use assets

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Land and buildings - right-of-use	3,147,609	3,517,533	-	369,924
Less: Accumulated depreciation	(749,440)	(641,896)	-	(267,176)
	<u>2,398,169</u>	<u>2,875,637</u>	<u>-</u>	<u>102,748</u>

The Association has one active office lease, held by a related party for Suite 11.01 on Level 11 of 55 Clarence St, Sydney. LGNSW held an office lease that expired in the current year. The key details of the lease are as follows:

Note 22. Non-current assets - right-of-use assets (continued)

55 Clarence Street, Sydney

- Lessee is Local Government Procurement Partnership;
- Lease term is for 7 years;
- Rent is subject to annual review;
- No option is available for exercise.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

		Total \$
LGNSW Consolidated	\$	\$
Balance at 1 July 2020	226,060	226,060
Additions	3,147,609	3,147,609
Depreciation expense	(498,032)	(498,032)
Balance at 30 June 2021	2,875,637	2,875,637
Disposals	(56,506)	(56,506)
Depreciation expense	(420,962)	(420,962)
Balance at 30 June 2022	<u>2,398,169</u>	<u>2,398,169</u>

		Total \$
LGNSW	\$	\$
Balance at 1 July 2020	226,060	226,060
Depreciation expense	(123,312)	(123,312)
Balance at 30 June 2021	102,748	102,748
Disposals	(56,506)	(56,506)
Depreciation expense	(46,242)	(46,242)
Balance at 30 June 2022	<u>-</u>	<u>-</u>

Note 23. Non-current assets - intangible assets

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Goodwill - at cost	90,000	90,000	-	-
Website and software development - at cost	282,264	518,923	28,100	264,759
Less: Accumulated amortisation	(257,508)	(475,235)	(22,184)	(254,910)
	<u>24,756</u>	<u>43,688</u>	<u>5,916</u>	<u>9,849</u>
	<u>114,756</u>	<u>133,688</u>	<u>5,916</u>	<u>9,849</u>

Note 23. Non-current assets - intangible assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Website & Software Development \$	Goodwill \$	Total \$
LGNSW Consolidated			
Balance at 1 July 2020	6,601	-	6,601
Additions	56,800	90,000	146,800
Amortisation expense	(19,713)	-	(19,713)
Balance at 30 June 2021	43,688	90,000	133,688
Amortisation expense	(18,932)	-	(18,932)
Balance at 30 June 2022	<u>24,756</u>	<u>90,000</u>	<u>114,756</u>
			Website & Software Development \$
LGNSW			
Balance at 1 July 2020			-
Additions			11,800
Amortisation expense			(1,951)
Balance at 30 June 2021			9,849
Amortisation expense			(3,933)
Balance at 30 June 2022			<u>5,916</u>

Note 24. Non-current assets - investment in associates

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Investment in related party trusts and companies	<u>-</u>	<u>-</u>	<u>36</u>	<u>36</u>

Note 25. Current liabilities - trade and other payables

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Trade payables	155,555	307,867	89,212	257,665
Accrued rebates	953,950	1,055,049	-	-
Sundry payables and accrued expenses	641,790	549,574	333,712	283,325
GST payable	1,410,570	2,157,943	1,156,864	1,866,462
	<u>3,161,865</u>	<u>4,070,433</u>	<u>1,579,788</u>	<u>2,407,452</u>

Note 26. Current liabilities - lease liabilities

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Lease liability	<u>390,048</u>	<u>465,567</u>	<u>-</u>	<u>113,095</u>

Refer to note 22 for further information on leases. Refer to note 34 for further information on financial instruments.

Note 27. Current liabilities - short term provisions

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Annual leave - employees other than office holders	970,007	908,901	670,407	563,391
Long service leave - employees other than office holders	1,541,243	1,283,268	1,172,322	1,000,770
	<u>2,511,250</u>	<u>2,192,169</u>	<u>1,842,729</u>	<u>1,564,161</u>

Note 28. Current liabilities - other liabilities

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Scholarship funds held	515,791	525,575	515,791	525,575
Unspent government grants	8,410,004	14,634,011	8,310,004	14,449,266
Other deferred income	7,702,046	7,017,651	7,348,696	6,660,951
	<u>16,627,841</u>	<u>22,177,237</u>	<u>16,174,491</u>	<u>21,635,792</u>

Note 29. Non-current liabilities - lease liabilities

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Lease liability	<u>2,124,039</u>	<u>2,514,087</u>	<u>-</u>	<u>-</u>

Refer to note 22 for further information on leases. Refer to note 34 for further information on financial instruments.

Note 30. Non-current liabilities - long term provisions

	LGNSW Consolidated 2022 \$	2021 \$	2022 \$	2021 \$
Long service leave - Employees other than office holders	<u>207,637</u>	<u>263,066</u>	<u>114,816</u>	<u>109,415</u>

Note 31. Equity - Settled sum

	2022 Units	LGNSW Consolidated 2021 Units	2022 \$	2021 \$
Settled sum	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

Note 32. Equity - general funds

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revaluation surplus reserve	9,142,842	9,142,842	9,142,842	9,142,842

Revaluation surplus reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Note 33. Equity - retained earnings

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Retained earnings at the beginning of the financial year	31,032,062	29,103,260	31,031,424	29,102,622
Profit/(Loss) after income tax expense for the year	(196,241)	1,928,802	(196,241)	1,928,802
Retained earnings at the end of the financial year	30,835,821	31,032,062	30,835,183	31,031,424

Note 34. Financial instruments

Financial risk management policies

Managing the financial risk exposures of Local Government NSW ("LGNSW") is the responsibility of the Board. The Board monitors LGNSW's financial risk management policies and exposures and approves financial transactions within the scope of its authority.

It also reviews the effectiveness of internal controls relating to counterparty credit risk, liquidity risk and interest rate risk.

The Board's overall risk management strategy seeks to assist LGNSW in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting year whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments which primarily expose LGNSW to interest rate risk are term deposits, fixed interest investments and cash and cash equivalents.

	2022		2021	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
LGNSW Consolidated				
Cash and cash equivalents	1.00%	19,332,946	1.00%	24,515,186
Investments (subject to interest rate risk)	4.01%	10,533,669	2.18%	13,112,215
Net exposure to cash flow interest rate risk		29,866,615		37,627,401

An official increase/decrease in interest rates of one hundred basis points would have a deemed favourable/(adverse) effect on profit before tax of \$298,666/(\$298,666) (2021: \$376,274/(\$376,274)) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Note 34. Financial instruments (continued)

Credit risk

The Association has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Association based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to LGNSW.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Depending on the division within LGNSW, credit terms are generally 30 days from the invoice date. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise assessed as being financially sound.

Credit risk exposures:

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting year excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in note 13.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA and consist exclusively of term deposits products.

Liquidity risk

Liquidity risk arises from the possibility that LGNSW might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

LGNSW maintains a very strong cash investment position at all times and does not consider liquidity risk to be significant.

Financial assets pledged as collateral:

No financial assets have been pledged as security for debt and their realisation into cash restricted subject to terms and conditions.

Note 34. Financial instruments (continued)

The following tables detail the Association's expected maturity profile of its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

LGNSW Consolidated - 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	3,262,366	-	-	-	3,262,366
Unspent government grants / scholarship funds	-	8,410,004	-	-	515,791	8,925,795
Deferred income	-	7,702,046	-	-	-	7,702,046
Lease liabilities	-	390,048	432,931	1,590,507	100,601	2,514,087
Total non-derivatives		19,764,464	432,931	1,590,507	616,392	22,404,294

LGNSW Consolidated - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	4,070,433	-	-	-	4,070,433
Unspent government grants / scholarship funds	-	14,634,011	-	-	525,575	15,159,586
Deferred income	-	7,017,651	-	-	-	7,017,651
Lease liabilities	-	465,567	390,048	1,441,327	682,712	2,979,654
Total non-derivatives		26,187,662	390,048	1,441,327	1,208,287	29,227,324

LGNSW - 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	1,579,788	-	-	-	1,579,788
Unspent government grants / scholarship funds	-	8,310,004	-	-	515,791	8,825,795
Other deferred income	-	7,348,696	-	-	-	7,348,696
Total non-derivatives		17,238,488	-	-	515,791	17,754,279

LGNSW - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	2,407,452	-	-	-	2,407,452
Unspent government grants / scholarship funds	-	14,449,266	-	-	525,575	14,974,841
Other deferred income	-	6,660,951	-	-	-	6,660,951
Lease liabilities	-	113,095	-	-	-	113,095
Total non-derivatives		23,630,764	-	-	525,575	24,156,339

Note 34. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than disclosed above.

Fair values

Fair value estimation

The fair values of financial assets and financial liabilities can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the Association and Local Government NSW are as follows:

LGNSW Consolidated	2022		2021	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Assets				
Cash and cash equivalents	19,332,946	19,332,946	24,515,186	24,515,186
Trade and other receivables	6,995,457	6,995,457	5,416,079	5,416,079
Term deposits	312,159	312,159	45,280	45,280
Fixed interest investments	10,221,510	10,221,510	13,066,935	13,066,935
Equities	5,460,059	5,460,059	4,541,584	4,541,584
Shares in StateCover Mutual Limited (**)	3,000,000	3,000,000	3,000,000	3,000,000
Shares in Australian Academy of Transformative Education Pty Limited (**)	90,000	90,000	90,000	90,000
	45,412,131	45,412,131	50,675,064	50,675,064
Liabilities				
Trade and other payables	(3,262,366)	(3,262,366)	(4,070,433)	(4,070,433)
Unspent government grants / scholarship funds	(8,925,795)	(8,925,795)	(15,159,586)	(15,159,586)
Other deferred income	(7,702,046)	(7,702,046)	(7,017,651)	(7,017,651)
Lease liabilities	(2,514,087)	(2,514,087)	(2,979,654)	(2,979,654)
	(22,404,294)	(22,404,294)	(29,227,324)	(29,227,324)

Note 34. Financial instruments (continued)

	2022		2021	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
LGNSW				
<i>Assets</i>				
Cash and cash equivalents	16,054,092	16,054,092	21,098,014	21,098,014
Trade and other receivables (*)	5,043,029	5,043,029	3,584,942	3,584,942
Term deposits	312,159	312,159	45,280	45,280
Fixed interest investments	10,221,510	10,221,510	13,066,935	13,066,935
Equities	5,460,059	5,460,059	4,541,584	4,541,584
Shares in StateCover Mutual Limited (**)	3,000,000	3,000,000	3,000,000	3,000,000
Investment in associates (**)	36	36	36	36
	<u>40,090,885</u>	<u>40,090,885</u>	<u>45,336,791</u>	<u>45,336,791</u>
<i>Liabilities</i>				
Trade and other payables	(1,579,788)	(1,579,788)	(2,407,452)	(2,407,452)
Unspent government grants / scholarship funds	(8,825,795)	(8,825,795)	(14,974,841)	(14,974,841)
Other deferred income	(7,348,696)	(7,348,696)	(6,660,951)	(6,660,951)
Lease liabilities	-	-	(113,095)	(113,095)
	<u>(17,754,279)</u>	<u>(17,754,279)</u>	<u>(24,156,339)</u>	<u>(24,156,339)</u>

* Exclusive of related party receivables (Note 17)

** Investments represent equity instruments held at historical cost due to the rights and entitlements attached to those instruments.

Fair value hierarchy

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
LGNSW Consolidated - 2022				
Term deposits	-	312,159	-	312,159
Fixed interest investments	-	10,221,510	-	10,221,510
Equities	5,460,059	-	-	5,460,059
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
	<u>5,460,059</u>	<u>13,533,669</u>	<u>-</u>	<u>18,993,728</u>
LGNSW Consolidated - 2021				
Term deposits	-	45,280	-	45,280
Fixed interest investments	-	13,066,935	-	13,066,935
Equities	4,541,584	-	-	4,541,584
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
	<u>4,541,584</u>	<u>16,112,215</u>	<u>-</u>	<u>20,653,799</u>

Note 34. Financial instruments (continued)

LGNSW - 2022

Term deposits	-	312,159	-	312,159
Fixed interest investments	-	10,221,510	-	10,221,510
Equities	5,460,059	-	-	5,460,059
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Investment in associates	-	-	36	36

LGNSW - 2021

Term deposits	-	45,280	-	45,280
Fixed interest investments	-	13,066,935	-	13,066,935
Equities	4,541,584	-	-	4,541,584
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Investment in associates	-	-	36	36

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
-	312,159	-	312,159
-	10,221,510	-	10,221,510
5,460,059	-	-	5,460,059
-	3,000,000	-	3,000,000
-	-	36	36
<u>5,460,059</u>	<u>13,533,669</u>	<u>36</u>	<u>18,993,764</u>
Level 1 \$	Level 2 \$	Level 3 \$	Total \$
-	45,280	-	45,280
-	13,066,935	-	13,066,935
4,541,584	-	-	4,541,584
-	3,000,000	-	3,000,000
-	-	36	36
<u>4,541,584</u>	<u>16,112,215</u>	<u>36</u>	<u>20,653,835</u>

Note 35. Related party disclosures

	LGNSW Consolidated 2022 \$	2021 \$	LGNSW 2022 \$	2021 \$
Revenue received from LGP (LGA NSW) Trust includes the following:				
Trust distributions	-	-	715,463	791,290
	<u>-</u>	<u>-</u>	<u>715,463</u>	<u>791,290</u>
	LGNSW Consolidated 2022 \$	2021 \$	LGNSW 2022 \$	2021 \$
Revenue received from LGP (SA NSW) Trust includes the following:				
Trust distributions	-	-	715,463	791,290
	<u>-</u>	<u>-</u>	<u>715,463</u>	<u>791,290</u>
	LGNSW Consolidated 2022 \$	2021 \$	LGNSW 2022 \$	2021 \$
Amounts receivable from LGP (LGA NSW) Trust includes the following:				
Trust distribution receivable	-	-	596,219	659,409
	<u>-</u>	<u>-</u>	<u>596,219</u>	<u>659,409</u>
	LGNSW Consolidated 2022 \$	2021 \$	LGNSW 2022 \$	2021 \$
Amounts receivable from LGP (SA NSW) Trust includes the following:				
Trust distribution receivable	-	-	596,219	659,409
	<u>-</u>	<u>-</u>	<u>596,219</u>	<u>659,409</u>

Note 35. Related party disclosures (continued)

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
Amounts receivable from Local Government Procurement Partnership includes the following:				
Loan to Local Government Procurement Partnership (non-current)	-	-	1,492,468	1,253,979

Outstanding balances for income and distributions at year-end are unsecured, interest-free, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2022, the Association has not recorded any impairment of receivables relating to amounts owed by related parties (2021: \$nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

Note 36. Key management personnel disclosures

Key management personnel, as defined by the Association, includes only the president of the Board as the head of the Association - Councillor Linda Scott (to 3 December 2021) and Councillor Darriea Turley AM (from 4 December 2021).

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Short-term employee benefits				
Salary (including annual leave taken)	174,153	163,462	174,153	163,462

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Post-employment benefits				
Superannuation	17,415	15,529	17,415	15,529

Transactions between key management personnel and their close family members

There were no transactions between key management personnel and their close family members for the years ended 30 June 2022 and 30 June 2021.

Note 37. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Crowe Australasia, the auditor of Local Government NSW:

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Audit services				
Audit of the financial statements	38,500	37,500	19,250	22,600

Note 38. Contingent assets

The Association was not aware of any contingent assets as at 30 June 2022.

Note 39. Contingent liabilities

The Association has provided bank guarantees for the purpose of rental contracts amounting to \$419,922 (2021: \$419,029) by the Commonwealth Bank.

The Association was not aware of any other contingent liabilities as at 30 June 2022.

Note 40. Capital and lease commitments

All lease commitments have been accounted for on balance sheet in accordance with AASB 16. Refer to Notes 22, 26 and 29 for further information.

Note 41. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Profit/(Loss) after income tax expense for the year	(196,241)	1,928,802	(196,241)	1,928,802
Adjustments for:				
Depreciation and amortisation	1,068,187	1,097,362	610,068	648,265
Net (gain)/loss on disposal of property, plant and equipment	(21,541)	22,338	(15,866)	(1,006)
Capital (gain)/loss on floating rate note investments	1,128,431	(832,364)	1,128,431	(832,364)
Trust distributions	-	-	(1,430,926)	(1,582,580)
Interest expense on operating leases	137,280	121,635	1,892	9,076
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables	(1,579,383)	(1,309,818)	(1,458,092)	(1,014,834)
(Increase)/decrease in prepayments	105,491	(127,310)	221,292	(67,583)
Increase/(decrease) in trade payables and accruals	(814,700)	516,526	(834,078)	891,421
Increase/(decrease) in deferred income	684,395	620,062	687,745	404,062
Increase/(decrease) in provisions	263,652	198,311	283,969	72,576
Net cash from/(used in) operating activities	775,571	2,235,544	(1,001,806)	455,835

Note 42. Cash flow information

	LGNSW Consolidated		LGNSW	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash inflows				
Local Government Procurement Partnership	-	-	1,318,818	1,604,664

Note 43. Local Government Superannuation Scheme – Defined benefits commitments

The Defined Benefit Schemes were established under the Local Government Super (LGS) Trust Deed on behalf of employers to fund the super entitlements of current and past employees. The funding of these entitlements by employers remains an ongoing legal obligation under this Trust Deed.

The Trustee of Local Government Super (Active Super) Defined Benefit Schemes is required to maintain the schemes in a sound financial position in order to satisfy the legal obligations under the Australian Prudential Regulatory Authority (APRA) Prudential Standard SPS160.

The Active Super Board, on behalf of employers, determines the contribution rate/s required to fund the liabilities of these Defined Benefit Schemes. The Board has a regulatory and fiduciary duty to act in the best interests of its members and this means ensuring there is sufficient funding to provide for the ongoing entitlements of past and present employees.

At its December 2021 meeting, the Active Super Board considered the triennial funding review conducted by fund actuary, Mercer, for both Future and Past Service Defined Benefit Liabilities as at 30 June 2021.

The actuary's expected employer contributions to the Fund to address the current deficit, over the next annual reporting period, amounts to approximately \$56,000.

The amount of employer contributions and past payments made to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2022 was \$105,829.

Significant actuarial assumptions

The significant actuarial assumptions used (expressed as weighted averages) were as follows:

	2021 %
Increase in CPI	2.50%
Return on plan assets	5.75%
Future salary increases	3.50%

Note 44. Events after the reporting period

No matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Independent Auditor's Report to the Partners of Local Government Procurement Partnership

Opinion

We have audited the financial report of Local Government Procurement Partnership (the Partnership), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Partnership as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 2 to the financial report.

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 Partnership in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Partnership's financial reporting responsibilities under the Partnership deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

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Other Information

Those charged with governance are responsible for the other information. The other information comprises the information contained in the Partnership's Annual Report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the financial reporting requirements under the Partnership deed and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Partnership'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 intend to liquidate the Partnership or to cease operations, or have 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

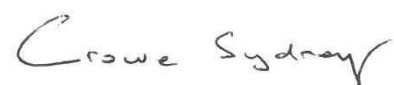
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Partnership'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 those charged with governance'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 Partnership'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 Partnership 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 the audit.



Crowe Sydney



Ash Pather
Partner

13 September 2022
Sydney

Local Government Procurement Partnership

Partners' declaration

30 June 2022

In the partners' opinion:

- the partnership is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, the attached special purpose financial statements have been prepared in accordance with the accounting policies outlined in note 2 to the financial statements;
- the attached financial statements and notes comply with the Accounting Standards as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the partnership's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the partnership will be able to pay its debts as and when they become due and payable.

This declaration is made on behalf of the partners by:



Darriea Turley AM

Partner

13 September 2022

Local Government Procurement Partnership
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	9,948,589	10,421,417
Expenses			
Employee benefits expense		(5,374,585)	(5,369,026)
Rebates to councils		(953,950)	(1,055,049)
Finance costs		(135,388)	(112,559)
Administration expenses		(1,159,757)	(1,152,009)
Consultancy costs		(441,479)	(634,224)
Conference expense		(60)	(43,529)
Gain/(loss) on sale of assets		5,675	(23,344)
Depreciation, amortisation and impairment	5	(458,119)	(449,097)
Profit before income tax expense		1,430,926	1,582,580
Income tax expense		-	-
Profit after income tax expense for the year attributable to the partners of Local Government Procurement Partnership		1,430,926	1,582,580
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the partners of Local Government Procurement Partnership		<u>1,430,926</u>	<u>1,582,580</u>
Distribution to partners:			
LGP (LGA NSW) Trust - 50% Partner		715,463	791,290
LGP (SA NSW) Trust - 50% Partner		715,463	791,290
		<u>1,430,926</u>	<u>1,582,580</u>
Retained partners' funds at the end of the financial year of Local Government Procurement Partnership		-	-

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

Local Government Procurement Partnership
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,277,236	3,415,554
Trade and other receivables	7	1,853,071	1,832,061
Prepayments	8	275,017	159,216
Total current assets		<u>5,405,324</u>	<u>5,406,831</u>
Non-current assets			
Financial assets	9	90,000	90,000
Property, plant and equipment	10	83,429	121,883
Right-of-use assets	11	2,398,169	2,772,889
Intangibles	12	18,840	33,839
Total non-current assets		<u>2,590,438</u>	<u>3,018,611</u>
Total assets		<u>7,995,762</u>	<u>8,425,442</u>
Liabilities			
Current liabilities			
Trade and other payables	13	2,774,515	2,981,800
Lease liabilities	14	390,048	352,472
Provisions	15	668,521	628,008
Other liabilities	16	453,350	541,445
Total current liabilities		<u>4,286,434</u>	<u>4,503,725</u>
Non-current liabilities			
Owner's contribution	17	1,492,468	1,253,979
Lease liabilities	18	2,124,039	2,514,087
Provisions	19	92,821	153,651
Total non-current liabilities		<u>3,709,328</u>	<u>3,921,717</u>
Total liabilities		<u>7,995,762</u>	<u>8,425,442</u>
Net assets		<u>-</u>	<u>-</u>
Partners' funds			
Total partners' funds		<u>-</u>	<u>-</u>

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

Local Government Procurement Partnership
Statement of changes in equity
For the year ended 30 June 2022

	Partners' funds	Total partners' funds
	\$	\$
Balance at 1 July 2020	-	-
Profit after income tax expense for the year	1,582,580	1,582,580
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,582,580	1,582,580
Profit distribution to LGP (LGA NSW) Trust	(791,290)	(791,290)
Profit distribution to LGP (SA NSW) Trust	(791,290)	(791,290)
Balance at 30 June 2021	-	-
	Partners' funds	Total partners' funds
	\$	\$
Balance at 1 July 2021	-	-
Profit after income tax expense for the year	1,430,926	1,430,926
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	1,430,926	1,430,926
Profit distribution to LGP (LGA NSW) Trust	(715,463)	(715,463)
Profit distribution to LGP (SA NSW) Trust	(715,463)	(715,463)
Balance at 30 June 2022	-	-

Local Government Procurement Partnership
Statement of cash flows
For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Cash flows from operating activities			
Receipts from customers		9,737,820	10,526,417
Payments to suppliers and employees		(8,046,572)	(8,562,722)
Interest received		1,691,248	1,963,695
		1,384	760
Net cash from operating activities	20	1,692,632	1,964,455
Cash flows from investing activities			
Payments for investments		-	(90,000)
Payments for property, plant and equipment	10	(30,430)	(132,568)
Payments for intangibles	12	-	(45,000)
Proceeds from sale of property, plant and equipment		6,158	-
Net cash used in investing activities		(24,272)	(267,568)
Cash flows from financing activities			
Distributions to partners		(1,318,818)	(1,604,664)
Repayment of lease liabilities		(487,860)	(393,609)
Net cash used in financing activities		(1,806,678)	(1,998,273)
Net decrease in cash and cash equivalents		(138,318)	(301,386)
Cash and cash equivalents at the beginning of the financial year		3,415,554	3,716,940
Cash and cash equivalents at the end of the financial year	6	3,277,236	3,415,554

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

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

Local Government Procurement Partnership is a partnership, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 13 September 2022.

Note 2. Significant accounting policies

Basis of preparation

In the partners' opinion, the partnership is not a reporting entity because there are no users dependent on general purpose financial statements. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the partnership deed.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the partners have determined are appropriate to meet their needs. Such accounting policies are consistent with the previous period unless stated otherwise.

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:

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

Procurement commission

Commission income represents amounts raised against suppliers and contractors, based on commission rates as agreed to between the parties upon entering procurement contracts and the level of financial activity between suppliers and contractors and the partnership's customers, as reported to the partnership during the financial year.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the partnership is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the partnership: 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. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from the rendering of services is recognised upon the delivery of the service to customers.

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

Income tax

As the partnership is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and 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.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

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:

Furniture, Fixtures and Fittings	10%	10 years
Motor Vehicles	18.75%	5.3 years
Office Equipment	20%	5 years
Computer Equipment	33.33%	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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 partnership 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 partnership 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

Website

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Significant costs associated with the development of the revenue generating aspects of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

At each reporting date, the partnership reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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 partnership'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 partnership's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one period have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

Goods and Services Tax ('GST') and other similar taxes

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.

Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The partnership determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The partnership assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the partnership and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Accrued income

The partnership recognises accrued income amounts in respect of estimated commissions earned from contracts placed with suppliers on behalf of member councils. The calculation of this accrual requires assumptions of historical trends and expected services rendered prior to the reporting date.

Note 4. Revenue

	2022 \$	2021 \$
Procurement	8,815,301	9,232,736
Council services	786,351	816,536
Conferences and seminars	-	38,062
Interest revenue	1,384	760
Other revenue	345,553	283,323
Grant income (JobKeeper)	-	50,000
	<u>9,948,589</u>	<u>10,421,417</u>
	2022 \$	2021 \$
Interest revenue		
Interest received from:		
Financial institutions	<u>1,384</u>	<u>760</u>

Note 5. Profit from ordinary activities

Profit from ordinary activities includes the following specific expenses:

	2022 \$	2021 \$
Expenses		
Depreciation of property, plant and equipment	(68,400)	(56,615)
Depreciation of right of use assets	(374,720)	(374,720)
Amortisation of intangible assets	(14,999)	(17,762)
	<u>(458,119)</u>	<u>(449,097)</u>
	2022 \$	2021 \$
Remuneration of auditor		
Auditing or reviewing the financial report	<u>(19,250)</u>	<u>(13,000)</u>

Note 6. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	-	1,000
Cash at bank	2,847,220	2,985,658
Cash on deposit	430,016	428,896
	<u>3,277,236</u>	<u>3,415,554</u>

Note 7. Current assets - trade and other receivables

	2022 \$	2021 \$
Trade receivables	1,895,696	1,834,215
Less: Allowance for expected credit losses	(102,435)	(2,154)
GST receivable	59,810	-
	<u>1,853,071</u>	<u>1,832,061</u>

Note 8. Current assets - prepayments

	2022 \$	2021 \$
Prepayments	<u>275,017</u>	<u>159,216</u>

Note 9. Non-current assets - financial assets

	2022 \$	2021 \$
Shares in Registered Training Organisation	<u>90,000</u>	<u>90,000</u>

The partnership holds 100% of the share capital of Australian Academy of Transformative Education Pty Ltd.

Note 10. Non-current assets - property, plant and equipment

	2022 \$	2021 \$
Fixtures and fittings - at cost	12,030	12,030
Less: Accumulated depreciation	<u>(7,460)</u>	<u>(6,526)</u>
	4,570	5,504
Motor vehicles - at cost	-	26,527
Less: Accumulated depreciation	<u>-</u>	<u>(26,527)</u>
	-	-
Office equipment - at cost	451,123	422,483
Less: Accumulated depreciation	<u>(372,264)</u>	<u>(306,104)</u>
	78,859	116,379
	<u>83,429</u>	<u>121,883</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold Improvements \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Office Equipment \$	Total \$
Balance at 1 July 2020	26,853	6,374	-	40,030	73,257
Additions	-	-	-	132,568	132,568
Disposals	(23,344)	-	-	(3,983)	(27,327)
Depreciation expense	<u>(3,509)</u>	<u>(870)</u>	<u>-</u>	<u>(52,236)</u>	<u>(56,615)</u>
Balance at 30 June 2021	-	5,504	-	116,379	121,883
Additions	-	-	-	30,430	30,430
Disposals	-	-	-	(484)	(484)
Depreciation expense	<u>-</u>	<u>(934)</u>	<u>-</u>	<u>(67,466)</u>	<u>(68,400)</u>
Balance at 30 June 2022	<u>-</u>	<u>4,570</u>	<u>-</u>	<u>78,859</u>	<u>83,429</u>

Note 11. Non-current assets - right-of-use assets

	2022 \$	2021 \$
Land and buildings - right-of-use	3,147,609	3,147,609
Less: Accumulated depreciation	<u>(749,440)</u>	<u>(374,720)</u>
	<u>2,398,169</u>	<u>2,772,889</u>

Local Government Procurement Partnership
Notes to the financial statements
30 June 2022

Note 11. Non-current assets - right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and Buildings \$
Balance at 1 July 2020	-
Additions	3,147,609
Depreciation expense	(374,720)
Balance at 30 June 2021	2,772,889
Depreciation expense	(374,720)
Balance at 30 June 2022	<u>2,398,169</u>

Note 12. Non-current assets - intangibles

	2022 \$	2021 \$
Website - at cost	254,164	254,164
Less: Accumulated amortisation	(235,324)	(220,325)
	<u>18,840</u>	<u>33,839</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Website \$
Balance at 1 July 2020	6,601
Additions	45,000
Amortisation expense	(17,762)
Balance at 30 June 2021	33,839
Amortisation expense	(14,999)
Balance at 30 June 2022	<u>18,840</u>

Note 13. Current liabilities - trade and other payables

	2022 \$	2021 \$
Trade payables	66,343	50,203
Accrued rebates	953,950	1,055,049
Sundry payables and accrued expenses	308,078	266,249
GST payable	253,706	291,481
Net payable to LGP (LGA NSW) Trust*	596,219	659,409
Net payable to LGP (SA NSW) Trust*	596,219	659,409
	<u>2,774,515</u>	<u>2,981,800</u>

Local Government Procurement Partnership
Notes to the financial statements
30 June 2022

Note 13. Current liabilities - trade and other payables (continued)

	2022 \$	2021 \$
*Distributions payable to Local Government NSW		
Payable to LGP (LGA NSW) Trust	715,463	791,290
Payable to LGP (SA NSW) Trust	715,463	791,290
Advance provision for partnership working capital loan	(238,488)	(263,762)
Aggregate net payable to the trusts	<u>1,192,438</u>	<u>1,318,818</u>

The amounts above represent the allocation of the partnership's net profit, as distributed in line with the underlying agreement of the partnership with LGNSW. Refer to note 17 for further information.

Note 14. Current liabilities - lease liabilities

	2022 \$	2021 \$
Lease liability	<u>390,048</u>	<u>352,472</u>

Note 15. Current liabilities - provisions

	2022 \$	2021 \$
Annual leave	299,600	345,510
Long service leave	368,921	282,498
	<u>668,521</u>	<u>628,008</u>

Note 16. Current liabilities - other liabilities

	2022 \$	2021 \$
Deferred income	<u>453,350</u>	<u>541,445</u>

Note 17. Non-current liabilities - owner's contribution

	2022 \$	2021 \$
Payable to Local Government NSW	<u>1,492,468</u>	<u>1,253,979</u>

This represents the level of working capital that Local Government Procurement Partnership requires to operate on a day to day basis.

As from the 2017/18 financial year onwards, the LGP Board endorsed a surplus distribution plan whereby the annual LGP surplus is allocated with 40% to councils and related entities as rebates, based on spend, with the remainder being allocated to the LGNSW. As part of the arrangements, an equivalent loan of 10% of the annual LGP surplus is made available by LGNSW back to the LGP for working capital purposes.

Note 18. Non-current liabilities - lease liabilities

	2022 \$	2021 \$
Lease liability	<u>2,124,039</u>	<u>2,514,087</u>

Note 19. Non-current liabilities - provisions

	2022 \$	2021 \$
Long service leave	<u>92,821</u>	<u>153,651</u>

Note 20. Reconciliation of profit after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit after income tax expense for the year	1,430,926	1,582,580
Adjustments for:		
Depreciation and amortisation	458,119	449,097
(Gain)/loss on disposal of property, plant and equipment	(5,675)	23,344
Interest expense on leases	135,388	112,559
Change in operating assets and liabilities:		
Increase in trade and other receivables	(121,290)	(294,985)
Increase in other assets	(115,801)	(59,727)
(Decrease)/increase in trade and other payables	19,377	(374,893)
(Decrease)/increase in deferred revenue	(88,095)	400,745
(Decrease)/increase in provisions	<u>(20,317)</u>	<u>125,735</u>
Net cash from operating activities	<u>1,692,632</u>	<u>1,964,455</u>

Note 21. Information on partners

The partners of the Local Government Procurement Partnership are:

1. LGP (LGA NSW) Pty Ltd ATF LGP (LGA NSW) Trust; and
2. LGP (SA NSW) Pty Ltd ATF LGP (SA NSW) Trust.

LGP (LGA NSW) Pty Ltd and LGP (SA NSW) Pty Ltd are companies incorporated and domiciled in Australia.

Note 22. Related party transactions

(a) Identification of related parties

Australian Academy of Transformative Education Pty Ltd
LGP (LGA NSW) Pty Ltd
LGP (LGA NSW) Trust
LGP (SA NSW) Pty Ltd
LGP (SA NSW) Trust
Local Government NSW
Local Government Procurement Pty Ltd

(b) Transactions and loan balances

The partnership has a net balance payable of \$596,219 (2021: \$659,409) to LGP (LGA NSW) Trust and \$596,219 (2021: \$659,409) to LGP (SA NSW) Trust as a result of the distribution of its profits.

The partnership has a non-current, non-interest bearing loan with LGNSW of \$1,492,468 (2021: \$1,253,979) representing working capital funding extended to facilitate the partnership's growth objectives.

Please refer to note 13 and note 17 for further details.

Note 23. Contingent assets

The partnership was not aware of any contingent assets as at 30 June 2022 (30 June 2021: nil).

Note 24. Contingent liabilities

The partnership has provided bank guarantees for the purpose of rental contracts amounting to \$342,537 (2021: \$341,644) by the Commonwealth Bank.

The partnership was not aware of any other contingent liabilities as at 30 June 2022 (30 June 2021: nil).

Local Government Procurement Pty Ltd

ACN 117 201 046

Compilation Report to the members

Scope

On the basis of information provided by the directors of Local Government Procurement Pty Ltd we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of the Company for the year ended 30 June 2022, as set out on pages 3 to 9.

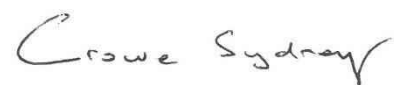
The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed on the Company on a standalone basis. However, an audit has been conducted for the consolidated financial report of the parent entity, Local Government and Shires Association of New South Wales, where this entity has been audited under group materiality.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the trust may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the directors and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



Crowe Sydney



Ash Pather
Partner

7 September 2022
Sydney

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

Local Government Procurement Pty Ltd Directors' report 30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Douglas Truman
Peter Douglas Dennis
Penelope Jane Holloway
Elizabeth Mary Henderson
Robert Murjanto Lagaida

Principal activities

The principal activities of the company during the financial year were managing the activities of Local Government Procurement Partnership.

No significant change in the nature of these activities occurred during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$nil (30 June 2021: \$nil).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Signed on behalf of the Board of Directors



Director

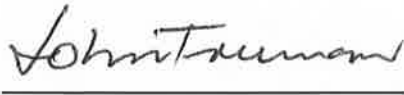
7 September 2022

Local Government Procurement Pty Ltd
Directors' declaration
30 June 2022

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Local Government Procurement Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors.



Director
7 September 2022

Local Government Procurement Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	2022 \$	2021 \$
Profit before income tax expense	-	-
Income tax expense	-	-
Profit after income tax expense for the year attributable to the owners of Local Government Procurement Pty Ltd	-	-
Other comprehensive Income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the owners of Local Government Procurement Pty Ltd	-	-

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

Local Government Procurement Pty Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		12	12
Total assets		12	12
Liabilities			
Total liabilities		-	-
Net assets		12	12
Equity			
Issued capital	3	12	12
Total equity		12	12

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

Local Government Procurement Pty Ltd
Statement of changes in equity
For the year ended 30 June 2022

	Ordinary Shares \$	Total equity \$
Balance at 1 July 2020	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2021	12	12
	Ordinary Shares \$	Total equity \$
Balance at 1 July 2021	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2022	12	12

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

Local Government Procurement Pty Ltd
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Net cash from operating activities		-	-
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		12	12
Cash and cash equivalents at the end of the financial year	2	12	12

The above statement of cash flows should be read in conjunction with the accompanying notes

Local Government Procurement Pty Ltd
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

Basis of preparation

Local Government Procurement Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The directors of the company have prepared the financial statements of the company on the basis that the company is not a reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of the directors.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the directors. Such accounting policies are consistent with the previous period unless stated otherwise.

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

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.

Note 2. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	12	12

Note 3. Equity - issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	12	12	12	12

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 4. Company details

The registered office of the company is:

Local Government Procurement Pty Ltd
Level 11, 55 Clarence Street
Sydney NSW 2000

Note 5. Contingent assets

The company was not aware of any contingent assets as at 30 June 2022.

Note 6. Contingent liabilities

The company was not aware of any contingent liabilities as at 30 June 2022.

In preparing the financial report, management is responsible for assessing the Trust'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 intend to liquidate the Trust or to cease operations, or have 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 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 Trust'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 those charged with governance'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 Trust'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 Trust 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 the audit.



Crowe Sydney



Ash Pather
Partner

13 September 2022
Sydney

Independent Auditor's Report to the Members of LGP (LGA) NSW Trust

Opinion

We have audited the financial report of LGP (LGA) NSW Trust (the Trust) which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with the Trust Deed.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 the purpose of fulfilling the Trust's financial reporting responsibilities under the Trust Deed. 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 for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting responsibilities under the Trust Deed and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.


Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

LGP (LGA NSW) Trust
Trustees' declaration
30 June 2022

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

- the financial statements and notes, as set out on pages 5 to 10, present fairly the trust's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements; and
- in the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors of the trustee company.

 Darriea Turley AM

Director
13 September 2022

LGP (LGA NSW) Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	2022 \$	2021 \$
Income		
Distribution income received from Local Government Procurement Partnership	715,463	791,290
Profit before income tax expense	715,463	791,290
Income tax expense	-	-
Profit after income tax expense for the year attributable to the beneficiaries of LGP (LGA NSW) Trust	715,463	791,290
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the beneficiaries of LGP (LGA NSW) Trust	<u>715,463</u>	<u>791,290</u>

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

LGP (LGA NSW) Trust
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	2	791	791
Related party receivables	3	715,463	791,290
Total current assets		<u>716,254</u>	<u>792,081</u>
Total assets		<u>716,254</u>	<u>792,081</u>
Liabilities			
Current liabilities			
Related party payables	4	715,463	791,290
Total current liabilities		<u>715,463</u>	<u>791,290</u>
Total liabilities		<u>715,463</u>	<u>791,290</u>
Net assets		<u><u>791</u></u>	<u><u>791</u></u>
Equity			
Issued capital		10	10
Retained profits		<u>781</u>	<u>781</u>
Total equity		<u><u>791</u></u>	<u><u>791</u></u>

LGP (LGA NSW) Trust
Statement of changes in equity
For the year ended 30 June 2022

	Settled Sum \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2020	10	781	791
Profit after income tax expense for the year	-	791,290	791,290
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	791,290	791,290
<i>Transactions with beneficiaries in their capacity as beneficiaries:</i>			
Distribution payable to Local Government New South Wales	-	(791,290)	(791,290)
Balance at 30 June 2021	<u>10</u>	<u>781</u>	<u>791</u>
Balance at 1 July 2021	10	781	791
Profit after income tax expense for the year	-	715,463	715,463
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	715,463	715,463
<i>Transactions with beneficiaries in their capacity as beneficiaries:</i>			
Distribution payable to Local Government New South Wales	-	(715,463)	(715,463)
Balance at 30 June 2022	<u>10</u>	<u>781</u>	<u>791</u>

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

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

	Note	2022 \$	2021 \$
Net cash from operating activities	8	-	-
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		791	791
Cash and cash equivalents at the end of the financial year	2	791	791

Note 1. Significant accounting policies

Basis of preparation

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is not a reporting entity because there are no users dependent 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 trust deed and the directors of the trust.

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

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

Distributions

The trust's distribution policy is to distribute 100% of its profits to its sole beneficiary, Local Government New South Wales.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when it is expected to be realised within 12 months after the reporting period, and a liability is classified as current when it is due to be settled within 12 months after the reporting period.

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.

Note 2. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	10	10
Cash at bank	781	781
	791	791

Note 3. Current assets - related party receivables

	2022 \$	2021 \$
Receivables from Local Government Procurement Partnership	715,463	791,290

Note 4. Current liabilities - related party payables

	2022 \$	2021 \$
Payables to Local Government New South Wales	715,463	791,290

Note 5. Trust Details

The registered office of the trust is:

Local Government NSW
Level 8, 28 Margaret Street
Sydney NSW 2000

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 6. Contingent assets

The directors of the trustee company were not aware of any contingent assets in relation to the trust as at 30 June 2022.

Note 7. Contingent liabilities

The directors of the trustee company were not aware of any contingent liabilities in relation to the trust as at 30 June 2022.

Note 8. Reconciliation of profit after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit after income tax expense for the year	715,463	791,290
Adjustments for:		
Profit distribution from Local Government Procurement Partnership	(715,463)	(791,290)
Change in operating assets and liabilities:		
Net movement in related party receivables	75,827	171,994
Net movement in related party payables	<u>(75,827)</u>	<u>(171,994)</u>
Net cash from operating activities	<u><u>-</u></u>	<u><u>-</u></u>

LGP (LGA NSW) Pty Ltd

ACN 117 201 055

Compilation Report to the members

Scope

On the basis of information provided by the directors of LGP (LGA NSW) Pty Ltd we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of the Company for the year ended 30 June 2022, as set out on pages 3 to 11.


The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed on the Company on a standalone basis. However, an audit has been conducted for the consolidated financial report of the parent entity, Local Government and Shires Association of New South Wales, where this entity has been audited under group materiality.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the trust may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the directors and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



Crowe Sydney



Ash Pather
Partner

13 September 2022
Sydney

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

LGP (LGA NSW) Pty Ltd

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Linda Margaret Scott (up to 16 December 2021)
Darriea Turley (from 17 December 2021)
Angelo Tsirekas (up to 13 June 2022)
Khal Asfour (from 14 June 2022)

Principal activities

The principal activity of the company during the financial year was acting as trustee for the LGP (LGA NSW) Trust.

No significant change in the nature of this activity occurred during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$nil (30 June 2021: \$nil).

No dividends were paid or declared during the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Signed on behalf of the Board of Directors.



Darriea Turley AM

Director


13 September 2022

LGP (LGA NSW) Pty Ltd
Directors' declaration
30 June 2022

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of LGP (LGA NSW) Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors:



Darriea Turley AM

Director

13 September2022

LGP (LGA NSW) Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	2022 \$	2021 \$
Profit before income tax expense	-	-
Income tax expense	-	-
Profit after income tax expense for the year attributable to the owners of LGP (LGA NSW) Pty Ltd	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the owners of LGP (LGA NSW) Pty Ltd	-	-

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

LGP (LGA NSW) Pty Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		12	12
Total assets		12	12
Liabilities			
Total liabilities		-	-
Net assets		12	12
Equity			
Issued capital	3	12	12
Total equity		12	12

LGP (LGA NSW) Pty Ltd
Statement of changes in equity
For the year ended 30 June 2022

	Ordinary Shares \$	Total equity \$
Balance at 1 July 2020	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2021	12	12
	Ordinary Shares \$	Total equity \$
Balance at 1 July 2021	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2022	12	12

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

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

	Note	2022 \$	2021 \$
Net cash from operating activities	8	-	-
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		12	12
Cash and cash equivalents at the end of the financial year	2	12	12

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

Basis of preparation

LGP (LGA NSW) Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements. These financial statements have been prepared in order to meet the needs of the directors.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of directors. Such accounting policies are consistent with the previous period unless stated otherwise.

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

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.

Note 2. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	12	12

Note 3. Equity - issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	12	12	12	12

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 4. Trust liabilities and right of indemnity

The company acts solely as trustee of a trust and liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in the financial report if it is not probable that the company will have to meet any of those trust liabilities from its own resources. If the company becomes obligated to meet trust liabilities, the trustee has a right to be indemnified from trust assets. If it is probable that there will be a deficiency in trust assets, a liability is recognised by the company to the extent of that deficiency. Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

Liabilities of the LGP (LGA NSW) Trust not recorded in the financial statements of the company were:

Note 4. Trust liabilities and right of indemnity (continued)

	2022 \$	2021 \$
Current liabilities		
Local Government New South Wales	715,463	791,290

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were endorsed by a guarantee of financial support from Local Government New South Wales (the “Association”) and were sufficient to discharge all liabilities of the trust at 30 June 2022 and 30 June 2021 respectively.

	2022 \$	2021 \$
Current assets		
Cash on hand	10	10
Cash at bank	781	781
	791	791
Current assets - related party receivables		
Receivables from Local Government Procurement Partnership	715,463	791,290

Note 5. Contingent assets

The company was not aware of any contingent assets as at 30 June 2022.

Note 6. Contingent liabilities

A contingent liability exists relative to any future claims which may be made against the company arising from trusteeship dealings.

The company was not aware of any other contingent liabilities as at 30 June 2022.

Note 7. Company details

The registered office of the company is:

Local Government NSW
Level 8, 28 Margaret Street
Sydney NSW 2000

Note 8. Reconciliation of profit after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit after income tax expense for the year	-	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	75,827	171,994
Decrease in trade and other payables	(75,827)	(171,994)
Net cash from operating activities	-	-

Note 9. Compilation report

The company's financial statements are not subject to an audit, the accounts have been prepared on a compilation basis.

Independent Auditor's Report to the Members of LGP (SA) NSW Trust

Opinion

We have audited the financial report of LGP (SA) NSW Trust (the Trust) which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with the Trust Deed.

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 Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 the purpose of fulfilling the Trust's financial reporting responsibilities under the Trust Deed. 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 for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting responsibilities under the Trust Deed and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

In preparing the financial report, management is responsible for assessing the Trust'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 intend to liquidate the Trust or to cease operations, or have 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 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 Trust'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 those charged with governance'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 Trust'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 Trust 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 the audit.



Crowe Sydney



Ash Pather
Partner

13 September 2022
Sydney


LGP (SA NSW) Trust
Trustees' declaration
30 June 2022

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

The directors of the trustee company declare that:

- The financial statements and notes, as set out on pages 5 to 10, present fairly the trust's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in note 1 to the financial statements; and
- In the directors' opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors of the trustee company.

 Darriea Turley AM

Director
13 September 2022

LGP (SA NSW) Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	2022 \$	2021 \$
Income		
Distribution income received from Local Government Procurement Partnership	715,463	791,290
Profit before income tax expense	715,463	791,290
Income tax expense	-	-
Profit after income tax expense for the year attributable to the members of LGP (SA NSW) Trust	715,463	791,290
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the members of LGP (SA NSW) Trust	<u>715,463</u>	<u>791,290</u>

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

LGP (SA NSW) Trust
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	2	791	791
Related party receivables	3	715,463	791,290
Total current assets		<u>716,254</u>	<u>792,081</u>
Total assets		<u>716,254</u>	<u>792,081</u>
Liabilities			
Current liabilities			
Related party payables	4	715,463	791,290
Total current liabilities		<u>715,463</u>	<u>791,290</u>
Total liabilities		<u>715,463</u>	<u>791,290</u>
Net assets		<u><u>791</u></u>	<u><u>791</u></u>
Equity			
Issued capital		10	10
Retained profits		<u>781</u>	<u>781</u>
Total equity		<u><u>791</u></u>	<u><u>791</u></u>

LGP (SA NSW) Trust
Statement of changes in equity
For the year ended 30 June 2022

	Settled Sum \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2020	10	781	791
Profit after income tax expense for the year	-	791,290	791,290
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	791,290	791,290
<i>Transactions with beneficiaries in their capacity as beneficiaries :</i>			
Distribution payable to Local Government New South Wales	-	(791,290)	(791,290)
Balance at 30 June 2021	<u>10</u>	<u>781</u>	<u>791</u>
Balance at 1 July 2021	10	781	791
Profit after income tax expense for the year	-	715,463	715,463
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	715,463	715,463
<i>Transactions with beneficiaries in their capacity as beneficiaries :</i>			
Distribution payable to Local Government New South Wales	-	(715,463)	(715,463)
Balance at 30 June 2022	<u>10</u>	<u>781</u>	<u>791</u>

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

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

LGP (SA NSW) Trust
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Net cash from operating activities	8	-	-
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		791	791
Cash and cash equivalents at the end of the financial year	2	791	791

LGP (SA NSW) Trust
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

Basis of preparation

The directors of the trustee company have prepared the financial statements of the trust on the basis that the trust is not a reporting entity because there are no users dependent 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 trust deed and the directors of the trust.

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

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

Distributions

The trust’s distribution policy is to distribute 100% of its profits to its sole beneficiary, Local Government New South Wales.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when it is expected to be realised within 12 months after the reporting period, and a liability is classified as current when it is due to be settled within 12 months after the reporting period.

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.

Note 2. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	10	10
Cash at bank	781	781
	791	791

Note 3. Current assets - related party receivables

	2022 \$	2021 \$
Receivables from Local Government Procurement Partnership	715,463	791,290

Note 4. Current liabilities - related party payables

	2022 \$	2021 \$
Payables to Local Government New South Wales	715,463	791,290

Note 5. Trust Details

The registered office of the trust is:

Local Government NSW
Level 8, 28 Margaret Street
Sydney NSW 2000

Note 6. Contingent assets

The directors of the trustee company were not aware of any contingent assets in relation to the trust as at 30 June 2022.

Note 7. Contingent liabilities

The directors of the trustee company were not aware of any contingent liabilities in relation to the trust as at 30 June 2022.

Note 8. Reconciliation of profit after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit after income tax expense for the year	715,463	791,290
Adjustments for:		
Profit distribution from Local Government Procurement Partnership	(715,463)	(791,290)
Change in operating assets and liabilities:		
Net movement in related party receivables	75,827	171,994
Net movement in related party payables	<u>(75,827)</u>	<u>(171,994)</u>
Net cash from operating activities	<u><u>-</u></u>	<u><u>-</u></u>

LGP (SA NSW) Pty Ltd

ACN 117 201 064

Compilation Report to the members

Scope

On the basis of information provided by the directors of LGP (SA NSW) Pty Ltd we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of the Company for the year ended 30 June 2022, as set out on pages 2 to 11.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the Company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed on the Company on a standalone basis. However, an audit has been conducted for the consolidated financial report of the parent entity, Local Government and Shires Association of New South Wales, where this entity has been audited under group materiality.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the trust may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the directors and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.



Crowe Sydney



Ash Pather

Partner

13 September 2022

Sydney

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

LGP (SA NSW) Pty Ltd

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Linda Margaret Scott (up to 16 December 2021)

Darriea Turley (from 17 December 2021)

Stephen Lawrence (up to 13 June 2022)

Scott Ferguson (from 14 June 2022)

Principal activities

The principal activity of the company during the financial year was acting as trustee for the LGP (SA NSW) Trust.

No significant change in the nature of this activity occurred during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the company after providing for income tax amounted to \$nil (30 June 2021: \$nil).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Signed on behalf of the Board of Directors.



Darriea Turley AM


Director

13 September 2022

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the directors of LGP (SA NSW) Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors.



Darriea Turley AM

Director

13 September 2022

	2022 \$	2021 \$
Profit before income tax expense	-	-
Income tax expense	-	-
Profit after income tax expense for the year attributable to the directors of LGP (SA NSW) Pty Ltd	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the directors of LGP (SA NSW) Pty Ltd	-	-

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

LGP (SA NSW) Pty Ltd
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		12	12
Total assets		12	12
Liabilities			
Total liabilities		-	-
Net assets		12	12
Equity			
Issued capital	3	12	12
Total equity		12	12

LGP (SA NSW) Pty Ltd
Statement of changes in equity
For the year ended 30 June 2022

	Ordinary Shares \$	Total equity \$
Balance at 1 July 2020	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2021	12	12
	Ordinary Shares \$	Total equity \$
Balance at 1 July 2021	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2022	12	12

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

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

	Note	2022 \$	2021 \$
Net cash from operating activities	8	-	-
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial year		12	12
Cash and cash equivalents at the end of the financial year	2	12	12

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

Basis of preparation

LGP (SA NSW) Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The directors of the company have prepared the financial statements of the company on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of the directors.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of directors. Such accounting policies are consistent with the previous period unless stated otherwise.

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

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.

Note 2. Current assets - cash and cash equivalents

	2022 \$	2021 \$
Cash on hand	12	12

Note 3. Equity - issued capital

	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	12	12	12	12

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 4. Trust liabilities and right of indemnity

The company acts solely as trustee of a trust and liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in the financial report if it is not probable that the company will have to meet any of those trust liabilities from its own resources. If the company becomes obligated to meet trust liabilities, the trustee has a right to be indemnified from trust assets. If it is probable that there will be a deficiency in trust assets, a liability is recognised by the company to the extent of that deficiency. Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

Liabilities of the LGP (SA NSW) Trust not recorded in the financial statements of the company were:

Note 4. Trust liabilities and right of indemnity (continued)

	2022 \$	2021 \$
Current liabilities		
Local Government New South Wales	715,463	791,290

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were endorsed by a guarantee of financial support from Local Government New South Wales (the “Association”) and were sufficient to discharge all liabilities of the trust at 30 June 2022 and 30 June 2021 respectively.

Assets of the LGP (SA NSW) Trust not recorded in the financial statements of the Company were:

	2022 \$	2021 \$
Current assets		
Cash on hand	10	10
Cash at bank	781	781
	791	791
	2022 \$	2021 \$
Current assets - related party receivables		
Receivables from Local Government Procurement Partnership	715,463	791,290

Note 5. Contingent assets

The company was not aware of any contingent assets as at 30 June 2022.

Note 6. Contingent liabilities

A contingent liability exists relative to any future claims which may be made against the company arising from trusteeship dealings.

The company was not aware of any other contingent liabilities as at 30 June 2022.

Note 7. Company details

The registered office of the company is:

Local Government NSW
Level 8, 28 Margaret Street
Sydney NSW 2000

Note 8. Reconciliation of profit after income tax to net cash from operating activities

	2022 \$	2021 \$
Profit after income tax expense for the year	-	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	75,827	171,994
Decrease in trade and other payables	(75,827)	(171,994)
Net cash from operating activities	-	-

Note 9. Compilation report

The company’s financial statements are not subject to an audit, the accounts have been prepared on a compilation basis.

LOCAL GOVERNMENT NSW

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