



Fair Work
Commission

6 December 2024

David Reynolds
Chief Executive
Local Government NSW
Sent via email: chiefexecutive@lgnsw.org.au

Dear David Reynolds

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 2024 (FR2024/167)

I refer to the application lodged pursuant to section 269 of the *Fair Work (Registered Organisations) Act 2009* in respect of the Local Government NSW for the financial year ended 30 June 2024. The application was lodged with the Fair Work Commission on 2 December 2024.

I have granted the application. The certificate is attached.

If you have any queries regarding this letter please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Chris Enright
Executive Director
Fair Work 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

FR2024/167

MR ENRIGHT

MELBOURNE, 6 DECEMBER 2024

Reporting unit's financial affairs encompassed by associated State body

[1] On 2 December 2024 an application was made under section 269(2)(a) of the *Fair Work (Registered Organisations) Act 2009* (the Act) by the 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 2024.

[2] On 2 December 2024, the reporting unit lodged a copy of the audited accounts of the Association with the Fair Work 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 section 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 2024, are encompassed by the financial affairs of the Association and I certify accordingly under section 269(2)(a) of the Act.



DELEGATE OF THE GENERAL MANAGER

Printed by authority of the Commonwealth Government Printer



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Application Form AF006 | 6 March 2023



Application for a certificate under section 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 General Manager of the Fair Work Commission (the General Manager) stating that a reporting unit's financial affairs are encompassed by an associated State Body.

Your answers to the following questions will help the General Manager 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



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- the officers of the associated State body are substantially the same as the designated officers of the reporting unit.



Before granting the certificate, the General Manager 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 Fair Work Commission general enquiries line on **1300 341 665** or email regorgs@fwc.gov.au.



Part A: Reporting unit details

1. Details of the reporting unit making the application

Reporting unit	Local Government NSW	Financial year ending	2024
Name of authorised person signing on behalf of the reporting unit	Darriea Turley		
Position of authorised person	President		
Contact person	[REDACTED]		
Contact details	bruce.morcombe@lgnsw.org.au	[REDACTED]	

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 section 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 section 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 section 269 certificate
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Yes	<input checked="" type="checkbox"/>	
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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 section 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 <u>are not</u> 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 section 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.



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Part C: Declaration and signature


Under the Act, the General Manager 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 section 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
Signature	
Signature date	2 December 2024

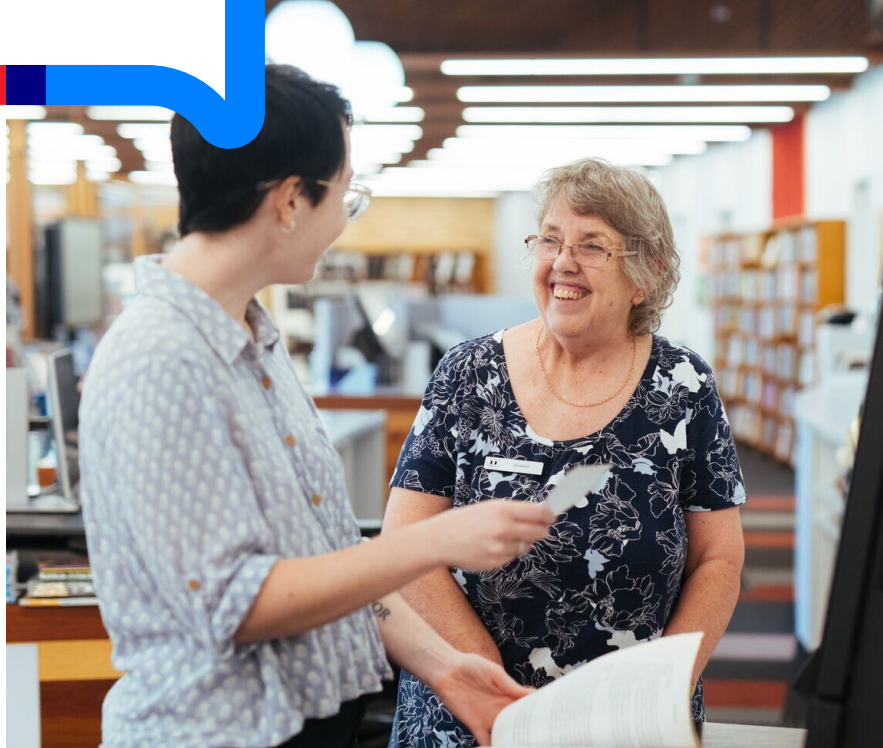


Please lodge the completed form (including the documents referred to in Part B) with the Fair Work Commission by email to: regorgs@fwc.gov.au.



Annual Report

Financial Year 2023-2024





We represent, empower and advocate on behalf of the local government sector.

About Us

Local Government NSW (LGNSW) is the peak body representing all 128 general purpose councils across the State as well as several other related entities. By providing advocacy, representation and support, LGNSW helps members deliver improved services and better outcomes to their local communities, thereby facilitating the development of an effective community-based system of local government.

We do this by:

- Providing effective, responsive, and accountable leadership on policy issues;
- Enhancing community awareness and perception of local government;
- Shaping the industrial environment in which the sector operates;
- Providing policy advice, management support and grants to members;
- Empowering members to deliver quality services to meet the needs of their local community.

This Annual Report sets out the advocacy, value and support we've delivered to our members during 2023/2024



Members

As of 30 June 2024, all 128 general-purpose councils in NSW were members of LGNSW. This, combined with 13 associate members brings the total number of members, to 141.

Ordinary Members

- | | | |
|---------------------------------|---|--------------------------------|
| 1. Albury City Council | 20. Cabonne Council | 38. Cowra Council |
| 2. Armidale Regional Council | 21. Camden Council | 39. Cumberland City Council |
| 3. Ballina Shire Council | 22. Campbelltown City Council | 40. Dubbo Regional Council |
| 4. Balranald Shire Council | 23. Carrathool Shire Council | 41. Dungog Shire Council |
| 5. Bathurst Regional Council | 24. Central Coast Council | 42. Edward River Council |
| 6. Bayside Council | 25. Central Darling Shire Council | 43. Eurobodalla Shire Council |
| 7. Bega Valley Shire Council | 26. Cessnock City Council | 44. Fairfield City Council |
| 8. Bellingen Shire Council | 27. City of Canada Bay Council | 45. Federation Council |
| 9. Berrigan Shire Council | 28. City of Canterbury-Bankstown Council | 46. Forbes Shire Council |
| 10. Blacktown City Council | 29. City of Parramatta Council | 47. Georges River Council |
| 11. Bland Shire Council | 30. City of Ryde | 48. Gilgandra Shire Council |
| 12. Blayney Shire Council | 31. City of Sydney | 49. Glen Innes Severn Council |
| 13. Blue Mountains City Council | 32. Clarence Valley Council | 50. Goulburn Mulwaree Council |
| 14. Bogan Shire Council | 33. Cobar Shire Council | 51. Greater Hume Shire Council |
| 15. Bourke Shire Council | 34. Coffs Harbour City Council | 52. Griffith City Council |
| 16. Brewarrina Shire Council | 35. Coolamon Shire Council | 53. Gunnedah Shire Council |
| 17. Broken Hill City Council | 36. Coonamble Shire Council | 54. Gwydir Shire Council |
| 18. Burwood Council | 37. Cootamundra-Gundagai Regional Council | 55. Hawkesbury City Council |
| 19. Byron Shire Council | | 56. Hay Shire Council |

- | | | |
|------------------------------------|--|---|
| 57. Hilltops Council | 92. Orange City Council | 126. Wollongong City Council |
| 58. Hornsby Shire Council | 93. Parkes Shire Council | 127. Woollahra Municipal Council |
| 59. Hunters Hill Council | 94. Penrith City Council | 128. Yass Valley Council |
| 60. Inner West Council | 95. Port Macquarie-Hastings Council | |
| 61. Inverell Shire Council | 96. Port Stephens Council | Associate Members |
| 62. Junee Shire Council | 97. Queanbeyan-Palerang Regional Council | 1. Castlereagh-Macquarie County Council |
| 63. Kempsey Shire Council | 98. Randwick City Council | 2. Central Tablelands Water |
| 64. Kiama Municipal Council | 99. Richmond Valley Council | 3. Goldenfields Water County Council |
| 65. Ku-ring-gai Council | 100. Shellharbour City Council | 4. Hawkesbury River County Council |
| 66. Kyogle Council | 101. Shoalhaven City Council | 5. Kimbriki Environmental Enterprises Pty Ltd |
| 67. Lachlan Shire Council | 102. Singleton Council | 6. New England Weeds Authority |
| 68. Lake Macquarie City Council | 103. Snowy Monaro Regional Council | 7. Northern Sydney Regional Organisation of Councils (NSROC) |
| 69. Lane Cove Council | 104. Snowy Valleys Council | 8. Riverina Water County Council |
| 70. Leeton Shire Council | 105. Strathfield Council | 9. Rous County Council |
| 71. Lismore City Council | 106. Sutherland Shire Council | 10. Southern Sydney Regional Organisation of Councils (SSROC) |
| 72. Lithgow City Council | 107. Tamworth Regional Council | 11. Upper Hunter Weeds Authority |
| 73. Liverpool City Council | 108. Temora Shire Council | 12. Upper Macquarie County Council |
| 74. Liverpool Plains Shire Council | 109. Tenterfield Shire Council | 13. Western Sydney Regional Organisation of Councils (WSROC) |
| 75. Lockhart Shire Council | 110. The Hills Shire Council | |
| 76. Maitland City Council | 111. Tweed Shire Council | |
| 77. Mid-Western Regional Council | 112. Upper Hunter Shire Council | |
| 78. MidCoast Council | 113. Upper Lachlan Shire Council | |
| 79. Moree Plains Shire Council | 114. Uralla Shire Council | |
| 80. Mosman Council | 115. Wagga Wagga City Council | |
| 81. Murray River Council | 116. Walcha Council | |
| 82. Murrumbidgee Council | 117. Walgett Shire Council | |
| 83. Muswellbrook Shire Council | 118. Warren Shire Council | |
| 84. Nambucca Valley Council | 119. Warrumbungle Shire Council | |
| 85. Narrabri Shire Council | 120. Waverley Council | |
| 86. Narrandera Shire Council | 121. Weddin Shire Council | |
| 87. Narromine Shire Council | 122. Wentworth Shire Council | |
| 88. Newcastle City Council | 123. Willoughby City Council | |
| 89. North Sydney Council | 124. Wingecarribee Shire Council | |
| 90. Northern Beaches Council | 125. Wollondilly Shire Council | |
| 91. Oberon Council | | |

PRESIDENT'S REPORT



I am delighted to present Local Government NSW's Annual Report for the 2023/24 Financial Year – a busy time for our organisation as we continued our strong advocacy on behalf of our members, achieving some significant wins and reforms while maintaining a strong and sustainable organisation.

The reporting period presented real challenges for local governments and their communities, but also opportunities to address some longstanding priorities. With an updated rate peg methodology, a renewed NSW Government focus on emergency management, improving state and local government cooperation on addressing the housing crisis, and several critical reviews underway, LGNSW remains committed to achieving significant reforms and enhanced support for our sector.

Not surprisingly, over the course of the last 12 months, we have experienced a heightened focus on the financial sustainability of local government, with concurrent state and federal inquiries underway, and the launch of the LGNSW Cost Shifting Report.

This report revealed a total cost shift to councils and communities of \$1.36 billion in 2021-22, equivalent to more than \$460 per ratepayer annually. LGNSW will continue to highlight the key findings of this report as we demonstrate that local government continues to unfairly carry the burden from other spheres of government.

The impact of cost shifting is one of the key areas of focus for the State Parliamentary inquiry initiated by the NSW Minister for Local Government. The inquiry has been tasked with investigating the ability of councils to fund infrastructure and services and will look closely at the social and economic effects of the rate peg.

Members will be aware that sustained LGNSW advocacy saw the introduction of a new methodology to determine the rate peg to more accurately reflect council costs, including an adjustment to fully cover any increases in the Emergency Services Levy (ESL).

Unfortunately the issue of the ESL and its impact on councils is ongoing for the sector. We did see some progress in the 2023/24 Financial Year, with LGNSW taking part in the NSW Treasurer's taskforce seeking a sustainable funding model for financing emergency services beyond the ESL.

Similarly, after years of inaction, the NSW Government initiated an inquiry into assets, funding and premises of the NSW Rural Fire Service, opening a pathway to sensibly resolving the Red Fleet ownership dispute.

In regards to roads and infrastructure, there was terrific news for councils in the May 2024 federal budget, with the Commonwealth Government committing to progressively increase the Roads to Recovery funding to \$1 billion annually by 2027-28. NSW councils will receive \$181 million in 2024-25 with progressive increases to \$278.5 million in 2027-2028.

In other wins for the sector:

- The value of local government's contribution to the early childhood education and care sector has continued to be recognised, with councils eligible for new funding programs including \$12 million for workforce skills and training.
- The NSW Government initiated its review of the Waste Levy. LGNSW has continued our call for reinvestment of 100% of the Waste Levy to fund priority infrastructure and waste programs.
- Following sustained LGNSW advocacy on the Planning Portal, the NSW Government has paused the introduction of new features until key improvements have been made. The NSW Government's housing reforms remain a key focus for LGNSW. The Minister for Planning and Public Spaces and the Minister for Housing and Homelessness took part in an LGNSW Housing Roundtable in May 2024, engaging with councils on key priorities to together address housing and homelessness issues.
- In February 2024, I joined the Premier (on behalf of the NSW Government) and the NSW Coalition of Aboriginal Peak Organisations to sign the NSW Closing the Gap Partnership Agreement, recognising and strengthening the role councils can and do play in Closing the Gap.
- The NSW Government initiated an inquiry into community safety in regional and rural communities, in large part due to strong advocacy by the Country Mayors' Association.
- In April 2024, the NSW Government announced a new NSW-tailored Diploma of Local Government (Planning) to equip administrative staff, school leavers and future planners with skills and knowledge to support our professional planning and building teams. LGNSW worked closely with the NSW Government, the Planning Institute of Australia and TAFE NSW on this initiative.

- The NSW Government released its first State Disaster Mitigation Plan following close consultation with the local government sector. The NSW Reconstruction Authority is working with councils to develop the first Disaster Adaptation Plans, which will shift focus towards prevention and reducing risk.

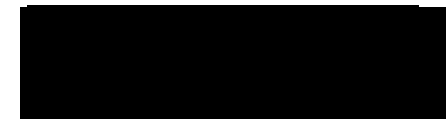
This strong advocacy for the sector and the diligent support provided to our members would not have been possible without the hard work and dedication of our LGNSW staff. They are a team of skilled professionals led by our Chief Executive David Reynolds and I thank them all for their service to the sector. I'd also like to thank our departing Chief Executive Scott Phillips who concluded his time with us in August 2023. We all wish Scott the very best in his future endeavours.

I would also like to acknowledge and thank my fellow board directors at LGNSW who have all worked hard again to ensure we have a strong and active organisation that can continue to deliver for our sector.

But above all I thank our members. Your insightful contributions, strong leadership and willingness to collaborate enables us to speak as one unified voice for the Local Government sector in NSW. It empowers LGNSW to continue to represent your interests and to support you and your communities. We look forward to maintaining and enhancing this strong position as we work collaboratively with the other spheres of government to build a better NSW.

Darriea Turley, AM

LGNSW President



CHIEF EXECUTIVE'S FOREWORD



I'm very pleased to provide LGNSW's 2023/24 Annual Report. In doing so I am proud to advise that the organisation has again delivered a balanced budget and that we ended the financial year with 100% membership from local councils. I want to thank all members for their continued support and their valuable input to our operations. It is only through your membership that we as your peak body can present a strong, unified voice on behalf of the local government sector.

Your contribution in terms of experience, observations, data and feedback have positioned us to provide strong advocacy and deliver some key achievements, particularly through a number of high level inquiries and reviews over the last financial year. Some key wins include:

- An improved rate peg methodology which now accounts for the Emergency Services Levy;
- An overall increased Federal Budget for the Roads to Recovery program with NSW councils set to receive \$946.9 million over the next four financial years;
- New funding programs for councils providing early childhood education and care including \$12 million for workforce skills and training; and
- A range of State Government reviews and inquiries into a number of issues including the waste levy, the financial sustainability of councils and the implementation of recommendations to improve health outcomes and access to health and hospital services in rural, regional and remote New South Wales.

As well as our advocacy for the sector, LGNSW has continued to provide exemplary training and development opportunities with over 6000 councillors and council staff taking advantage of the services offered by the LGNSW Learning and Development team. Our events continued to be extremely popular with over 2500 people attending a full calendar of events including summits, conferences and forums throughout 2023/24.

Our specialist member services continued to help councils address industrial relations and employment issues and provided extensive and free expert legal advice, again delivering over \$1 million in member value this financial year.

During the reporting period, we refreshed our Management Solutions team, reflecting both our growth and our commitment to meeting new challenges. That team delivered expert recruitment services for over 50 senior positions including General Managers and carried out performance reviews of 48 senior staff, ensuring contractual obligations are upheld. Meanwhile, our Careers at Council team continued to support the sector at a national level.

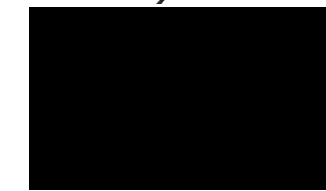
Our Local Government Procurement (LGP) subsidiary saved the sector \$80 million in the 23/24 financial year and delivered training services to almost 620 local government staff. LGP also allocated \$1.52 million in rebates for regional organisations of councils, joint organisations, and individual councils.

My first 10 months in the role as Chief Executive has been an exciting and rewarding experience and I would like to thank LGNSW President Cr Darriea Turley AM and her fellow board directors for their support, leadership and guidance. To the team at LGNSW more broadly, I express my gratitude for your constant dedication and relentless hard work – we simply couldn't do it without you.

Already the 24/25 Financial Year has commenced with a very positive start and I look forward to leading the team in strengthening and enhancing our support for the local government sector.



Chief Executive



LGNSW CE David Reynolds, Shellharbour Mayor Chris Homer, LGNSW President Cr Darriea Turley AM and Shellharbour General Manager Mike Archer. 22 May 2024

NSW has 128 Councils, which collectively



Employ nearly 50,000 people



Manage more than 1,800 community & public centres



Maintain more than 168,000km of roads & bridges



Manage more than \$220 billion of community assets



Recycle 1.75 million tonnes of waste



Spend more than \$2.5 billion each year on caring for the environment



Operate more than 380 libraries that attract tens of millions of visits each year



Make kerbside waste collections for more than 3.1 million households



Manage an estimated 4 million tonnes of waste each year



Spend more than \$2.4 billion on culture and recreation



Advocacy Highlights

The 2023/24 financial year presented significant challenges for local governments and their communities, but also opportunities to address some longstanding priorities. With an updated rate peg methodology, a renewed NSW Government focus on emergency management, improving state and local government cooperation on addressing the housing crisis, and several critical reviews underway, councils remain committed to achieving significant reforms to benefit their communities.

Financial sustainability

It has been a year of heightened focus on the financial sustainability of local government, with two concurrent state and federal inquiries underway, and the launch of the LGNSW Cost Shifting Report. This report revealed a total cost shift to councils and communities of \$1.36 billion in 2021-22, equivalent to more than \$460 per ratepayer annually.

Key developments include:

- Sustained LGNSW advocacy saw the introduction of a new rate peg methodology to more accurately reflect council costs, including an adjustment to fully cover the costs of any increases in the Emergency Services Levy (ESL).
- Fair increases to Financial Assistance Grants are yet to be achieved, but we continue to advocate alongside the Australian Local Government Association to see these grants return to 1% of Commonwealth taxation revenue.

- The NSW Minister for Local Government initiated an inquiry into the ability of councils to fund infrastructure and services, with a focus on the impact of cost shifting and the effect of the rate peg.
- LGNSW is represented on the NSW Treasurer's taskforce, seeking a sustainable funding model for financing emergency services beyond the ESL. LGNSW's longstanding position seeks to have the ESL removed from both councils and insurance policies.
- After years of inaction, the NSW Government initiated an inquiry into assets, funding and premises of the NSW Rural Fire Service, opening a pathway to sensibly resolving the Red Fleet ownership dispute.

Resilience to natural disasters

- The NSW Government released its first State Disaster Mitigation Plan following close consultation with the local government sector. The plan includes a priority action for the NSW Government to investigate resourcing options for councils by the end of 2024. The NSW Reconstruction Authority is working with councils to develop the first Disaster Adaptation Plans, which will shift focus towards prevention and reducing risk.
- The Senate Inquiry into Australia’s Disaster Resilience has added weight to our recommendations for betterment, while the Australian Government’s \$200 million annual Disaster Ready Fund has announced round 2 funding recipients, delivering millions in funding for council projects.
- LGNSW continues to call for community recovery officer funding to be made permanent to reflect the increasing frequency, scale and long recovery time of disasters.

Roads and infrastructure

- In terrific news for councils, the May 2024 federal budget committed to progressively increase the Roads to Recovery funding to \$1 billion annually by 2027-28. NSW councils will receive \$181 million in 2024-25 with progressive increases to \$278.5 million in 2027-2028.
- In response to our long running campaign to protect Local Water Utilities (LWUs) from privatisation, in March 2024 a NSW inquiry recommended that the NSW Government consult with councils to develop legislation protecting LWUs from privatisation, forced amalgamations and sell-offs. The inquiry also recommended continued funding for the Town Water Risk Reduction Program (However, the 2024 NSW budget saw only \$43.1 million allocated to water infrastructure, water efficiency and drought resilience).

- The NSW Government has heard our sector’s calls for improved certainty, speed and cash flow for reconstruction post disaster, with the introduction of Tripartite Agreements between the NSW Reconstruction Authority, Transport for NSW and councils. These agreements mean that more councils now receive reconstruction funding in advance of each stage of reconstruction.

Planning and housing

- The NSW Government’s housing reforms remain a key focus. The Minister for Planning and Public Spaces and the Minister for Housing and Homelessness took part in an LGNSW Housing Roundtable in May 2024, engaging with councils on key priorities to together address housing and homelessness issues.
- Following sustained LGNSW advocacy on the Planning Portal, the NSW Government has paused the introduction of new features until key improvements have been made. The NSW Budget allocated more than \$20 million for improvements, with the backlog of outstanding council tickets falling 70% since November 2023.
- In October 2023, a new framework for state infrastructure contributions commenced, with the NSW Government committing not to make changes to local contributions collected by councils. The state reforms also established a Housing and Productivity Contributions grant funding stream of up to \$1 billion over 10 years for councils to deliver local infrastructure.
- The NSW State Budget saw the first significant injection of funds for public and social housing in years, with \$5.1 billion over four years to build 8,400 social housing dwellings, with 6,200 of these to be new builds. Although the scale of need remains vast, this is a very welcome investment in line with our sector’s multiyear advocacy.



- The NSW Government also commenced a long-awaited review of the short-term rental accommodation regulatory framework, investigating options to give councils greater powers to ensure the right balance is struck between housing and the visitor economy.

Environment and the circular economy

- In good news, the NSW Government kicked off its review of the Waste Levy. LGNSW has continued its call for reinvestment of 100% of the Waste Levy to fund priority infrastructure and waste programs, particularly as the levy is now raising almost \$900 million a year for the NSW Government.
- At the state level, the *Climate Change (Net Zero Future) Act 2023* commenced in December, enshrining whole-of-government climate action to deliver net zero by 2050, in line with LGNSW’s policy positions.
- LGNSW is continuing to engage with the NSW Government on reforms to biodiversity laws, which have been resulting in issues of both under- and over-regulation. The reforms aim to halt and reverse biodiversity loss and support environmental repair and regeneration, while easing issues of over-regulation that have at times acted as a barrier to regional development.

Stronger communities

- In February 2024, the LGNSW President joined the Premier (on behalf of the NSW Government) and the NSW Coalition of Aboriginal Peak Organisations to sign the NSW Closing the Gap Partnership Agreement, recognising and strengthening the role councils can and do play in Closing the Gap. In June, LGNSW signed an agreement with Aboriginal Affairs NSW to develop a Closing the Gap toolkit for councils over the year ahead.
- In other positive news, the remit of the NSW 24 Hour Economy Commissioner has been expanded beyond greater Sydney to the whole of NSW, and the NSW Government has released a new Arts, Culture and Creative Industry Policy for NSW.
- The NSW Government has also initiated an inquiry into community safety in regional and rural communities, in large part due to strong advocacy by the Country Mayors Association.
- The value of local government’s contribution to the early childhood education and care sector has continued to be recognised, with councils eligible for new funding programs for the sector including \$12 million for workforce skills and training.



Rural, regional and community health

- The NSW Government has continued to progress its commitment to implementing all 44 of the recommendations of the 2022 inquiry into health outcomes and access to health and hospital services in rural, regional and remote NSW. As part of this commitment, in August 2023 incentives were doubled for health workers who move to regional and remote areas to fill regional job vacancies, with up to \$20,000 available to assist with relocation costs, accommodation and boosting salaries.
- LGNSW has also sought increased funding for specialised youth and community wellbeing and mental health services to bolster resilience, particularly after natural disasters. The new State Disaster Mitigation Plan includes an action for the NSW Government to develop a framework for social infrastructure and cohesion in the forthcoming guidelines for Disaster Adaptation Plans.

Skills and labour shortages

- In November 2023, the NSW Government announced 900 fee-free vocational training placements across the state to tackle the shortage of skilled water operators to manage water and sewerage systems in communities across NSW.
- In April 2024, the NSW Government announced a new NSW-tailored Diploma of Local Government (Planning) to equip administrative staff, school leavers and future planners with skills and knowledge to support our professional planning and building teams. LGNSW worked closely with the NSW Government, the Planning Institute of Australia and TAFE NSW on this initiative.
- In June 2024, the NSW Government published the final report for the NSW Vocational Education and Training (VET) Review. Amongst its recommendations are to improve training in remote and regional areas to address skills shortages. This aligns with recommendations of LGNSW's submission to the review, calling for equitable access to VET, higher education courses and educational institutions, including face-to-face formal and on the job training.

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 IR and employment issues

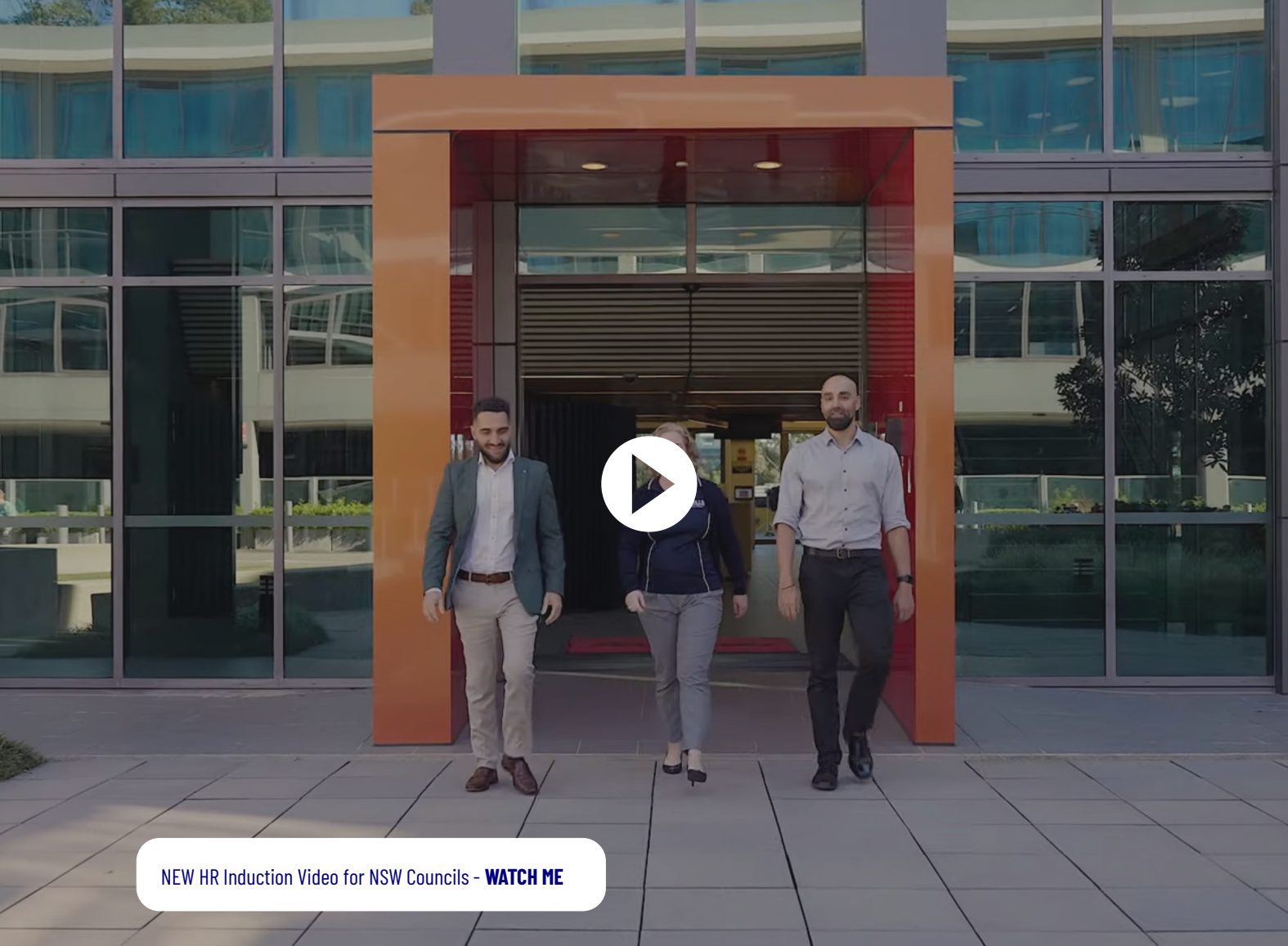
In the 2023/2024 financial year, LGNSW's team provided members with approximately 2,928 advices on industrial and workplace issues. LGNSW also represents local government before the Industrial Relations Commission of NSW, the Fair Work Commission, the Local Court, the NSW Civil and Administrative Tribunal and the Supreme Court.

In total there were 151 matters in which LGNSW acted for members before courts and tribunals during the financial year. Just under 95% of legal proceedings were resolved or otherwise concluded and eight matters were progressed to arbitrated hearings.

In addition to the provision of advice and representation of members, the Workplace Relations team also:

- Partnered with StateCover to deliver 10 workshops across the state on managing psychosocial injuries in the workplace;

- Met with the NSW Industrial Relations Taskforce to advocate for legislative reforms;
- Liaised with the OLG, councils and numerous state members of parliament to advocate for the disallowance of new regulations relating to waste tendering obligations;
- Consulted and assisted members with the transition of senior staff employees from statutory senior staff contracts to employment under an award or enterprise agreement; and
- Partnered with other parties to the *Local Government (State) Award 2023* to develop and produce a video that fulfils councils' obligations pursuant to clause 3(iv) of the Award. A copy of the video can be accessed on the [LGNSW website](#).



Growing Great Careers

The Management Solutions team at LGNSW has been refreshed over the last 12 months, reflecting our growth and our commitment to meeting new challenges.

With broadened skillsets and increased capacity, we are enhancing our capabilities and bringing in diverse perspectives to foster innovation. This expansion allows us to better serve our clients, drive new initiatives, and stay ahead in a competitive landscape.

Each team member brings unique skills and experiences that complement our collective strengths, enabling us to deliver even greater value. Together, we're building a dynamic, collaborative environment that sets us up for long-term success.

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 2023/24, LGMS delivered a total of 98 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 and performance review support

- Recruitment of 50 positions including General Managers, senior staff and specialist roles.
- Performance reviews of 48 senior staff, ensuring contractual obligations are upheld.
- Provision of HR services such as organisation restructures, workplace investigations, employee engagement workshops and salary system reviews to 20 councils.
- A significant number of councils opted into the provision of valuable comparative data on recruitment and retention, leave, work health and safety, learning and development, and remuneration.
- A total of 101 councils purchased LGNSW's Remuneration Reports, while 93 subscribed to HR Metrics. There were 67 councils that opted for the full suite of data, incorporating Remuneration Reports, HR Metrics, Finance and General Managers' Remuneration Reports.

NEW HR Induction Video for NSW Councils - **WATCH ME**

Legal advice

- LGNSW's legal support unit provides legal and policy advice to members on a range of legislative, code of conduct, procedural and commercial issues. Our expertise is based on a deep understanding of local government and associated legislative and regulatory requirements.
- In 2023/2024, LGNSW's legal support to councils included 203 formal legal advices to Mayors and General Managers, an increase of almost 9% on 2022/2023. The largest issue was rates, including rating categories, exemptions and recovering overdue rates.
- This free, members-only service not only saves councils exorbitant legal fees but helps safeguard them from potential future legal dispute, delivering up to \$1.1 million in member value each year.
- Other specialised services provided to members in 2023/2024 included a councillor mentoring service, which supports elected members with confidential guidance and advice from highly respected former councillors and mayors on a range of issues.

Careers at Council

Careers at Council was developed by LGNSW in partnership with our fellow State and Territory Local Government Associations. Careers at Council offers a one-stop online destination for anyone considering a career in local government.

This custom-designed jobs platform features an extensive range of job vacancies, all supported by targeted advertising campaigns. An ongoing connection between the platform 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. Authentic, captivating promotional blog stories and videos are published to showcase individual subscribing council's unique culture and successes, which are also shared widely across Careers at Council and subscribing councils' social channels.

By the end of 2023/24, a total of 206 councils across Australia subscribed to the Careers at Council service.

- During the financial year, the online platform attracted 437,000 users – a 5.4% increase on the previous financial year.
- It advertised more than 10,600 jobs and was visited by approximately 36,400 prospective employees each month.
- In total, the jobs advertised during the 2023/24 financial year generated 147,500 clicks from jobseekers, resulting in an average click rate of 13.86 per job.



Careers at Council video for school leavers - **WATCH ME**



Building Networks of Excellence

Elected members and council staff across NSW continue to nominate networking opportunities and learning and professional development workshops as key benefits of their LGNSW membership. The Corporate Learning and Events staff strive to meet our members' needs via two specialist teams dedicated to delivering tailored courses, conferences, and events that enable members to keep up-to-date, build knowledge and skills, debate the issues, network with their peers, and exchange ideas.

Learning and development

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

In the 2023/24 reporting year, **796 councillors took advantage of the services offered by the LGNSW Learning and Development team.** Participants were provided with professional development in areas such as financial management, planning, code of conduct, Integrated Planning and Reporting, meeting procedures, media management, speed reading and of course the highly respected Executive Certificate for Elected Members.

In the same reporting period, **5,577 council staff completed training and participated in professional development workshops and events** focussing on areas such as community stakeholder engagement, report and correspondence writing, working with dignity and respect, psychosocial hazards, safer towns and cities, finance, planning, recruitment, consultative committees, conflict resolution and workplace investigations.

Meanwhile, we had **10,709 completed modules for self-paced e-Learning professional development compliance.** These modules are designed for staff to help them and their teams achieve optimum performance and support them in delivering the best possible level of service to their communities.

Events and conferences

A total of **858 elected councillors and 1682 council staff attended a full calendar of specialised events, conferences and forums in 2023/24.**

LGNSW's 2023 Annual Conference was held in the Parramatta LGA at Rosehill Gardens from 12 to 14 November. This event was well supported by members and incorporated extensive debate and democratic resolution by delegates on council-submitted motions, which set the sector's advocacy agenda for the year ahead.

Awards

Local government consistently leads the way in delivering grassroots innovation to benefit communities. In 2023/24, more than 22 of the state's councils and two Joint Organisations of councils were recognised by LGNSW for outstanding work in the areas of communication, arts and culture, planning, the environment, and water management.

Of these, the Singleton Council, Wingecarribee Shire Council, Hawkesbury City Council and Inner West Council, picked up two or more awards. Also doubly awarded was the Illawarra Shoalhaven Joint Organisation for Excellence in the Environment.

Award winners included:

- **A. R. Bluett Memorial Award:** Inner West Council (Metropolitan/Major Regional winner) and Singleton Council (Rural/Regional winner).
- **RH Dougherty Awards:** Penrith City Council, Wingecarribee Shire Council, Central Darling Shire Council, Gunnedah Shire Council, Narrabri Shire Council, Hawkesbury City Council (two awards), Canterbury Bankstown City Council.
- **Leo Kelly OAM Arts and Culture Awards:** Singleton Council, Bathurst Regional Council, Blacktown City Council, City of Parramatta.
- **LGNSW Planning Awards:** Singleton Council, Wingecarribee Shire Council, Penrith City Council.
- **NSW Youth Week Awards:** Fairfield City Council, Inner West Council, Gunnedah Shire Council, Camden Council.

A series of five free climate change webinars, delivered on behalf of the Department of Climate Change, Energy, the Environment and Water, was attended by a total of 534 members.

Other events in 2023/24 included the Local Government Week Awards, the Environment Awards and Forum, our inaugural Rural and Regional Summit, International Women's Day lunch, and the Destination and Visitor Economy Conference in Wagga Wagga.

• Excellence in the Environment:

- **Asbestos Management:** Penrith City Council.
- **Behaviour Change in Waste:** Inner West Council.
- **Climate Change Adaption:** Wagga Wagga City Council.
- **Towards Zero Net Emissions:** City of Canada Bay Council, Waverley Council (joint winners).
- **Communication, Education and Empowerment:** Ku-ring-gai Council.
- **Innovation In Planning, Policies and Decision Making:** Central Coast Council
- **Invasive Species Management:** Kempsey Shire Council.
- **Natural Environment Protection and Enhancement:** Camden Council.
- **Sustainable Infrastructure:** Waverley Council.
- **Transition to a Circular Economy:** Northern Beaches Council.
- **Water Management:** Blacktown City Council.
- **Local Sustainability:** Shoalhaven City Council.
- **Louise Petchell Memorial Award for Individual Sustainability:** Anthony Weinberg, Waverley Council.

Procurement Solutions For The Sector

Local Government Procurement (LGP) is a company wholly owned by LGNSW that supports councils to tender more effectively and maximise value for public money through bulk purchasing arrangements.

In 2023/24, LGP saved the sector \$80 million and delivered training services to almost 620 local government staff. In addition, LGP allocated \$1.52 million in rebates for regional organisations of councils, joint organisations, and councils.

Financial results

In the 2023/24 financial year, LGP returned a gross surplus (before allocation of rebates) of \$3.82 million - a 5% increase on the previous year - and provided LGNSW with revenue of \$1.91 million, ensuring local government and associate member rates were kept as low as possible.

Contracts negotiated for the sector

LGP contracts grew to \$975 million in the 2023/24 fiscal year across 34 active contracts, providing local governments with access to negotiated pricing, leading suppliers, and helped reduce procurement risk. The Bitumen, Emulsions, and Asphalt Materials and Services contract remained the top performer, with council expenditure rising to \$280 million. Notably, the Major and Minor Works contract experienced significant growth, with council spend increasing from \$70 million in 2022/2023 to \$111 million in 2023/2024.

Driving excellence in procurement

The Procurement Capability Grant Program is instrumental in advancing procurement practices, fostering collaboration between local governments and businesses. Launched in February 2022, the LGP Procurement Capability Grant Program has rapidly established itself as a key driver of procurement excellence within local government. As the program enters its third year, there has been a substantial increase in both applications and funding requests. The number of applications has nearly doubled compared to the launch year, with 68 applications, and funding requests now at \$1.245 million. This substantial growth

underscores the program's success and the rising demand for innovation in procurement.

Local government procurement skills

The LG Training Academy (LGTA) delivered specialised procurement and contract management training to over 620 individuals. This included 19 non-accredited courses and two accredited courses attended by 375 participants, while 245 individuals benefited from our eLearning program.

A new Double Diploma Program was launched, combining the BSB50420 Diploma of Leadership and Management with the BSB51220 Diploma of Business. Additionally, a scope enhancement application for six new qualifications was approved, increasing the total number of qualifications LGTA is authorised to offer to nine.

Strengthening procurement and sustainability

LGP conducted a comprehensive review of our tendering process for LGP contracts, assessing it against the ISO 20400 Sustainable Procurement guidance standard. LGP also continued our reconciliation journey by submitting the first draft of our Reconciliation Action Plan to Reconciliation Australia (RA) and incorporating feedback from RA into our planning and activity.

Sustainability remained a key component in all LGP contracts, including Request for Tenders (RFTs) and Standing Offer Deeds. A review of sustainability goals and objectives was completed for all NSW councils, which will inform future contract planning and sourcing activities.

In support of our 2023-26 Strategic Plan, 11 new corporate targets were developed that align with the United Nations Sustainable Development Goals. The targets relate to energy, modern slavery, circular economy, youth unemployment, respect for First Nations people, sustainable procurement, and sustainability reporting.

Network events

In 2024, LGP saw a significant increase in attendance at network events, enhancing opportunities for local government staff to learn, share knowledge and collaborate with their peers. LGP hosted 10 complimentary events attracting over 520 local government staff at events held in Dubbo, Goulburn, Greater Hume, Port Macquarie, Tamworth, and Sydney. These events play an important role in facilitating the exchange of information and insights, enabling participants to apply new knowledge within their respective councils.

Additionally, LGP organised 31 engagement events, including sustainability webinars, procurement information sessions, tender briefings, and contract implementation sessions with strong attendance.

Conference and awards

The LGP Annual Conference, held in October 2023, attracted 145 delegates from across the state for the event, which was themed “Connect. Leverage. Achieve.”

The conference featured the Procurement Professional and Sustainable Procurement Awards, which honour individuals and groups making significant contributions to local government and the broader community. Additionally, the Approved Contractor Award celebrates the diversity among LGP-approved contractors and recognises outstanding support provided to the local government sector.

The 2023 Procurement Awards recipients were as follows:

- **New Procurement Professional**
Levi Manuel, Northern Beaches Council
- **Sustainable Procurement Achievement**
City of Parramatta Council
- **Outstanding Procurement Professional**
Alison Leckie, Northern Inland Regional Waste Group
- **Approved Contractor of the Year**
Telstra Limited

Local Government Procurement Board of Directors

During the 2023/24 fiscal year, we bade farewell to Associate Director Scott Phillips and noted the renewal of John Truman’s appointment as Chairman of the Board, and Robert Lagaida as Director. We extend our gratitude for their valuable contributions to the LGP Board.

We were pleased to announce the addition of two new Board members in the second half of 2023.

Coretta Bessi, with over 25 years of experience in procurement across prominent organisations such as Westpac Group, NBN, BlueScope, and Ausgrid, as well as consulting roles for local government and Transport for NSW, joined us as a Director.

David Reynolds was appointed as Associate Director, succeeding Scott Phillips. David brings extensive experience from his tenure in local government since 2006. As a qualified company director and the Chief Executive at LGNSW, David’s expertise will be a significant asset to the LGP Board. We extend a warm welcome to both Coretta and David.



LGNSW Board

	President Cr Darriea Turley AM Broken Hill City Council		Treasurer Cr Nuatali Nelmes City of Newcastle
	Vice-President Rural/Regional Cr Phyllis Miller OAM Forbes Shire Council		Director Rural/Regional Cr Jamie Chaffey Gunnedah Shire Council
	Director Rural/Regional Cr Scott Ferguson Blayney Council		Director Rural/Regional Cr Dallas Tout Wagga Wagga City Council
	Vice-President Metropolitan/Urban Cr Khal Asfour City of Canterbury Bankstown		Director Metropolitan/Urban Cr Ned Mannoun Liverpool City Council
	Director Metropolitan/Urban Cr Philippa Scott Inner West Council		Director Metropolitan/Urban Cr Michael Mijatovic Fairfield City Council
			Director Metropolitan/Urban Cr Julie Griffiths AM Blacktown City Council
			Director Rural/Regional Cr Romola Holywood Blue Mountains City Council
			Director Rural/Regional Cr Cameron Walters Wollongong City Council
			Director Metropolitan/Urban Cr Penny Pedersen City Of Ryde
			Director Rural/Regional Cr Dominic King Belingen Shire Council
			Director Rural/Regional Cr Claire Pontin Midcoast Council
			Director Metropolitan/Urban Cr Philipa Veitch Randwick City Council
			Director Metropolitan/Urban Cr Christine Kay Ku-ring-gai Council



Special Thanks

A special thanks to our outgoing board members in 2023

Nathan Hagarty

Danielle Mulholland

George Greiss

Carmelo Pesce

Karen McKeown

Clare Raffan

Corporate and Compliance Information

LGNSW employees are dedicated and skilled professionals in their areas of technical expertise and committed to their work. As at 30 June 2024 LGNSW employed 67 staff (50 full-time, 17 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 Fair Work Commission (Cth), provide for the democratic control of LGNSW by our members and detail the Association'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 18 Board members at 30 June 2024.

In accordance with the Rules, the Board constituted a Senior Executive Group comprised of four Board Officeholders - President Cr Darriea Turley AM, Metropolitan/Urban Vice-President Cr Khal Asfour, Rural/Regional Vice-President Cr Phyllis Miller OAM, and Treasurer Cr Nuatali Nelmes, along with four Board Directors - Cr Jamie Chaffey and Cr Scott Ferguson (Rural/Regional), Cr Julie Griffiths AM and Cr Penny Pedersen (Metropolitan).

The Board met six times during 2023/24, and the Senior Executive Group a further three times. Board working committees also met to provide guidance on key focus areas.

At the Annual Conference held from 12-14 November 2023, an election of board members was conducted resulting in a turnover in 6 positions. LGNSW thanks all board members, outgoing and current, for their service to the sector.

Board Meeting Attendance 2023/24

	2023				2024	
	July	August	September	December	February	May
Cameron Walters	✓	✓	✓	✓	✓	✓
Carmelo Pesce	✓	✓	✓	N/A	N/A	N/A
Christine Kay	N/A	N/A	N/A	✓	✓	✓
Claire Pontin	N/A	N/A	N/A	✓	✓	✓
Clare Raffan	✓	✗	✓	N/A	N/A	N/A
Dallas Tout	N/A	N/A	N/A	✓	✓	✓
Danielle Mulholland	✓	✓	✓	N/A	N/A	N/A
Darriea Turley AM	✓	✓	✓	✓	✓	✓
Dominic King	✓	✗	✓	✓	✓	✓
George Greiss	✓	✓	✓	N/A	N/A	N/A
Jamie Chaffey	✗	✓	✓	✓	✓	✓
Julie Griffiths AM	✓	✓	✓	✓	✓	✗
Karen McKeown OAM	✓	✓	✓	N/A	N/A	N/A
Khal Asfour	✗	✓	✓	✓	✓	✓
Michael Mijatovic	N/A	N/A	N/A	✓	✓	✓
Nathan Hagarty	✓	✓	✓	N/A	N/A	N/A
Ned Mannoun	N/A	N/A	N/A	✓	✓	✓
Nuatali Nelmes	✗	✓	✓	✓	✓	✓
Penny Pedersen	✓	✓	✓	✓	✓	✓
Philippa Veitch	✓	✓	✓	✓	✓	✓
Philippa Scott	N/A	N/A	N/A	✓	✓	✓
Phyllis Miller OAM	✓	✓	✓	✓	✓	✓
Romola Hollywood	✓	✓	✓	✓	✓	✓
Scott Ferguson	✓	✓	✓	✓	✓	✗

N/A: Not elected to the Board at the relevant time. Outgoing Board members 2023/24: Cr Carmelo Pesce, Cr Clare Raffan, Cr Danielle Mulholland, Cr George Greiss, Cr Karen McKeown OAM, Cr Nathan Hagarty.

Board working committees

Board working committees also met throughout 2023/24 to provide strategic guidance on key focus areas. As at 30 June 2024, 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 Ned Mannoun
- Members** Cr Dallas Tout, Cr Dominic King, Cr Khal Asfour, Cr Michael Mijatovic

Policy Review Working Committee

- Chair** Cr Romola Hollywood
- Deputy Chair** Cr Philippa Scott
- Members** Cr Christine Kay, Cr Claire Pontin, Cr Nuatali Nelmes, Cr Philipa Veitch

Additional committees advising the Board included:

- **The Audit and Risk Committee** with responsibility for monitoring and providing 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, comprising Jan McClelland AM (Independent Chair), Elizabeth Gavey (Independent Member), Cr Khal Asfour (to December 2023), Cr Scott Ferguson (to December 2023), Cr Dominic King (from December 2023) and Cr Penny Pedersen (from December 2023), met three times in 2023/24.

- The **Industrial Advisory Committee**, with responsibility for assisting and making recommendations to the Board in relation to industrial relations issues, met twice during the 2023/24 financial year. The Committee was chaired by Cr Julie Griffiths AM. Members included Cr Darriea Turley AM (to December 2023), Phyllis Miller OAM, Cr Karen McKeown OAM (to September 2023), Cr Jamie Chaffey (from December 2023) and Cr Philipa Veitch (from December 2023).

Committee membership also included four General Managers, selected following a transparent application process and appointed by the LGNSW Board - Lindy Dietz (Campbelltown City Council), Karina Ewer (Berrigan Shire Council), Derek Francis (Bogan Shire Council), Matthew Stewart (Canterbury-Bankstown City Council) (to February 2024) and Scott Phillips (from February 2024).

- 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 Trish Frail, 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 the 2023/24 financial year.



Governance

Legislation and 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 objects and powers, memberships, control and governance, the annual conference, the Board, finance and auditing.

Significant changes in financial affairs

There were no significant changes in the Association's financial affairs during 2023/24.

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 and 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 and StateCover

The LGNSW Board nominates four LGNSW Councillor Directors to the Board of StateCover as well as an 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 as at 30 June 2024

StateCover	Date Appointed	Term Expires
Cr Andrew Zbik	1 May 2023	Annual General Meeting November 2025
Cr Samuel Ngai	20 November 2019 Reappointed AGM November 2022	Annual General Meeting November 2025
Cr Todd Redwood	15 November 2023	Annual General Meeting 2026
Cr Tracey Morris	15 November 2023	Annual General Meeting 2026
Active Super	Date Appointed	Term Expires
Cr Karen McKeown OAM	10 April 2018 Re-appointed 10 April 2022	9 April 2026*
Cr Declan Clausen	26 March 2021	25 March 2025
Cr Nathan Hagarty	December 2021	4 December 2025*

*Cr Karen McKeown and Nathan Hagarty resigned with effect from 30 June 2024.

Grants and Donations

In the 2023/24 financial year, LGNSW did not make any donations but did make the following grants:

In 2023/24 LGNSW continued to manage the Greening our City Grant Program, which supports Sydney metropolitan councils to enhance urban tree canopy and green cover. LGNSW's administration of the program concluded in February 2024, with continuing projects handed to the Department of Planning, Housing and Infrastructure to continue program administration in-house. This was a pre-determined handover date.

LGNSW also continued to administer the \$5 million Flying-Fox Habitat Restoration Program (Program), funded by the NSW Environmental Trust. The program supports councils to improve flying-fox camp and foraging habitat, with 16 projects across 14 local government areas funded. The program will run until early 2030.

Grant payments made during the 2023/24 financial year are listed below.

Flying Fox Habitat Restoration Program

Purpose: Purpose: To help councils research, restore and create flying-fox camp and foraging habitat in ways that help reduce conflict with humans

Funding provided by: NSW Environmental Trust

Bathurst Regional Council	124,800.00
Bellingen Shire Council	23,472.00
Campbelltown City Council	116,725.00
Clarence Valley Council	36,775.00
Fairfield City Council	24,400.00
Kyogle Council	14,500.00
Lake Macquarie City Council	95,644.00
Maitland City Council	15,100.00
MidCoast Council	80,560.00
Richmond Valley Council	94,874.00
Shellharbour City Council	77,970.00
Tweed Shire Council	21,780.00
	726,600.00

Greening Our City Grant Program

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 (Department of Planning, Housing and Infrastructure from 1 January 2024)

Bayside Council	200,698.50
Blacktown City Council	921,986.00
Burwood Council	78,335.55
Camden Council	519,500.00
Campbelltown City Council	868,150.00
City of Canada Bay Council	432,050.00
City of Canterbury Bankstown	160,000.00
City of Parramatta Council	572,500.00
City of Ryde	87,500.00
Cumberland City Council	234,000.00
Fairfield City Council	48,000.00
Georges River Council	130,500.00
Hornsby Shire Council	97,500.00
Mosman Municipal Council	99,000.00
Northern Beaches Council	48,675.00
Penrith City Council	307,000.00
Randwick City Council	941,160.00
Strathfield Council	19,292.50
Sutherland Shire Council	9,050.00
The Hills Shire Council	129,625.00
Waverley Council	41,091.00
Willoughby City Council	250,000.00
Wollondilly Shire Council	134,721.50
Woollahra Municipal Council	109,797.31
	6,440,132.36

Financial Statements

Local Government NSW

Financial Statements - 30 June 2024

Local Government NSW

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30 June 2024

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Independent Auditor's Report to the Members of Local Government NSW

Opinion

We have audited the financial report of Local Government NSW (the entity) and its subsidiaries (the Association), which comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the Boards' declaration.

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

- (a) Presenting fairly the Association's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) 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 included in the Association's Annual Report for the year ended 30 June 2024, 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.

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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 is 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.

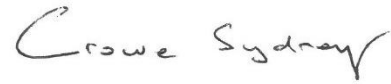
Auditor's Responsibilities for the Audit of the Financial Report

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.

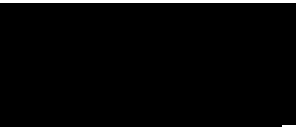
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with 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 our audit.



Crowe Sydney



Ash Pather
Senior Partner

24 September 2024
Sydney

**Local Government NSW
Boards' declaration
30 June 2024**

In the Board's opinion:

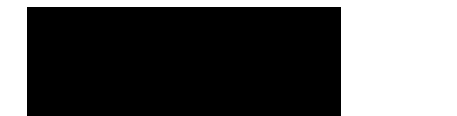
- the attached financial statements and notes comply with the Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 2 to the financial statements, and the Industrial Relations Act 1996;
- the attached financial statements and notes give a true and fair view of the Local Government NSW's and the Association's financial position as at 30 June 2024 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 2023/24 financial year and since the year ended 30 June 2024:
 - a) meetings of the committee of management were held in accordance with the rules of Local Government NSW;
 - b) the financial affairs of Local Government NSW have been managed in accordance with the rules of Local Government NSW; and
 - c) the financial records of Local Government NSW 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 NSW by:



Cr Darriea Turley AM
President

24 September 2024



Cr Nuatali Nelmes
Treasurer

Local Government NSW
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Local Government NSW Consolidated		Local Government NSW	
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue					
Membership subscription		5,963,195	5,750,373	5,963,195	5,750,373
Council services		6,430,828	6,266,836	5,761,307	5,695,400
Commission received	4	13,637,276	13,206,400	2,088,104	2,160,042
Conferences and seminars		2,684,116	2,721,528	2,284,016	2,407,278
Net investment income/(expense)	4	2,229,077	1,642,226	2,220,180	1,627,157
Trust distributions		-	-	2,363,842	2,178,608
Other revenue		741,852	671,434	738,412	649,017
		<u>31,686,344</u>	<u>30,258,797</u>	<u>21,419,056</u>	<u>20,467,875</u>
Grant income	5	10,340,884	8,422,019	10,340,884	8,422,019
Expenses					
Employee benefits expense	6	(16,233,846)	(14,322,451)	(9,782,868)	(8,644,610)
Affiliation fees	7	(666,605)	(647,117)	(666,605)	(647,117)
Administrative expenses	8	(5,525,099)	(5,820,035)	(3,810,178)	(3,918,076)
Grant expenses	5	(10,340,884)	(8,422,019)	(10,340,884)	(8,422,019)
Council services		(4,856,389)	(4,658,878)	(3,399,736)	(3,206,620)
Depreciation and amortisation expense	9	(983,695)	(1,065,812)	(494,120)	(469,804)
Legal costs	10	(141,100)	(56,551)	(134,994)	(30,635)
Audit and accounting fees	11	(162,552)	(75,742)	(109,947)	(44,592)
Gain/(loss) on sale of assets	12	-	11,123	-	-
Finance costs		(96,450)	(116,913)	-	-
		<u>3,020,608</u>	<u>3,506,421</u>	<u>3,020,608</u>	<u>3,506,421</u>
Profit before income tax expense		3,020,608	3,506,421	3,020,608	3,506,421
Income tax expense		-	-	-	-
Profit after income tax expense for the year attributable to the owners of Local Government NSW	34	3,020,608	3,506,421	3,020,608	3,506,421
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on the revaluation of land and buildings, net of tax		769,029	-	769,029	-
Other comprehensive income for the year, net of tax		769,029	-	769,029	-
Total comprehensive income for the year attributable to the owners of Local Government NSW		<u>3,789,637</u>	<u>3,506,421</u>	<u>3,789,637</u>	<u>3,506,421</u>

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

Local Government NSW
Statements of financial position
As at 30 June 2024

	Note	Local Government NSW Consolidated		Local Government NSW	
		2024	2023	2024	2023
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	13	10,301,398	16,874,843	6,913,439	12,751,408
Trade and other receivables	14	5,030,437	6,775,577	3,692,168	6,078,786
Financial assets held at fair value through profit or loss	15	8,307,536	6,421,310	8,307,536	6,421,310
Financial assets held at amortised cost	16	6,879,188	3,476,827	6,444,237	3,476,827
Prepayments	17	609,610	505,930	355,126	232,234
Total current assets		<u>31,128,169</u>	<u>34,054,487</u>	<u>25,712,506</u>	<u>28,960,565</u>
Non-current assets					
Related party loan	18	-	-	1,957,509	1,695,533
Investments	19	3,000,000	3,000,000	3,000,000	3,000,000
Financial assets held at amortised cost	20	11,529,579	10,307,460	11,529,579	10,307,460
Land and buildings	21	16,244,904	15,800,785	16,244,904	15,800,785
Property, plant and equipment	22	548,511	624,743	461,059	589,574
Right-of-use assets	23	1,423,918	1,873,576	-	-
Intangible assets	24	90,000	95,579	-	1,984
Investment in associates	25	-	-	36	36
Total non-current assets		<u>32,836,912</u>	<u>31,702,143</u>	<u>33,193,087</u>	<u>31,395,372</u>
Total assets		<u>63,965,081</u>	<u>65,756,630</u>	<u>58,905,593</u>	<u>60,355,937</u>
Liabilities					
Current liabilities					
Trade and other payables	26	3,637,319	3,799,919	1,438,508	1,633,312
Lease liabilities	27	479,367	432,931	-	-
Short term provisions	28	2,454,593	2,467,965	2,053,625	1,833,634
Other liabilities	29	8,373,973	13,661,259	8,018,482	13,274,368
Total current liabilities		<u>14,945,252</u>	<u>20,362,074</u>	<u>11,510,615</u>	<u>16,741,314</u>
Non-current liabilities					
Lease liabilities	30	1,211,741	1,691,108	-	-
Long term provisions	31	533,347	218,344	120,895	130,177
Total non-current liabilities		<u>1,745,088</u>	<u>1,909,452</u>	<u>120,895</u>	<u>130,177</u>
Total liabilities		<u>16,690,340</u>	<u>22,271,526</u>	<u>11,631,510</u>	<u>16,871,491</u>
Net assets		<u>47,274,741</u>	<u>43,485,104</u>	<u>47,274,083</u>	<u>43,484,446</u>
Equity					
Settled sum	32	20	20	-	-
General funds	33	9,911,871	9,142,842	9,911,871	9,142,842
Retained earnings	34	37,362,850	34,342,242	37,362,212	34,341,604
Total equity		<u>47,274,741</u>	<u>43,485,104</u>	<u>47,274,083</u>	<u>43,484,446</u>

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

**Local Government NSW
Statements of changes in equity
For the year ended 30 June 2024**

	General funds	Settled sum	Retained earnings	Total equity
	\$	\$	\$	\$
Local Government NSW Consolidated				
Balance at 1 July 2022	9,142,842	20	30,835,821	39,978,683
Profit after income tax expense for the year	-	-	3,506,421	3,506,421
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	3,506,421	3,506,421
Balance at 30 June 2023	<u>9,142,842</u>	<u>20</u>	<u>34,342,242</u>	<u>43,485,104</u>

	General funds	Settled sum	Retained earnings	Total equity
	\$	\$	\$	\$
Local Government NSW Consolidated				
Balance at 1 July 2023	9,142,842	20	34,342,242	43,485,104
Profit after income tax expense for the year	-	-	3,020,608	3,020,608
Other comprehensive income for the year, net of tax	769,029	-	-	769,029
Total comprehensive income for the year	769,029	-	3,020,608	3,789,637
Balance at 30 June 2024	<u>9,911,871</u>	<u>20</u>	<u>37,362,850</u>	<u>47,274,741</u>

	General funds	Retained earnings	Total equity
	\$	\$	\$
Local Government NSW			
Balance at 1 July 2022	9,142,842	30,835,183	39,978,025
Profit after income tax expense for the year	-	3,506,421	3,506,421
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,506,421	3,506,421
Balance at 30 June 2023	<u>9,142,842</u>	<u>34,341,604</u>	<u>43,484,446</u>

	General funds	Retained earnings	Total equity
	\$	\$	\$
Local Government NSW			
Balance at 1 July 2023	9,142,842	34,341,604	43,484,446
Profit after income tax expense for the year	-	3,020,608	3,020,608
Other comprehensive income for the year, net of tax	769,029	-	769,029
Total comprehensive income for the year	769,029	3,020,608	3,789,637
Balance at 30 June 2024	<u>9,911,871</u>	<u>37,362,212</u>	<u>47,274,083</u>

**Local Government NSW
Statements of cash flows
For the year ended 30 June 2024**

	Note	Local Government NSW Consolidated		Local Government NSW	
		2024	2023	2024	2023
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		39,735,961	37,387,249	28,023,885	26,078,025
Payments to suppliers and employees		(37,891,124)	(33,457,772)	(28,352,172)	(24,826,497)
Investment income		1,155,251	1,011,788	1,146,354	996,719
Net cash from operating activities	42	<u>3,000,088</u>	<u>4,941,265</u>	<u>818,067</u>	<u>2,248,247</u>
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		-	11,123	-	-
Proceeds from disposal of intangibles		-	246	-	-
Net movements in investments		(5,436,880)	(3,581,431)	(5,001,929)	(3,581,431)
Payments for property, plant and equipment	22	<u>(127,316)</u>	<u>(226,984)</u>	<u>(38,711)</u>	<u>(207,705)</u>
Net cash used in investing activities		<u>(5,564,196)</u>	<u>(3,797,046)</u>	<u>(5,040,640)</u>	<u>(3,789,136)</u>
Cash flows from financing activities					
Net distributions received from related parties	43	-	-	1,947,310	1,352,657
Net movement in government grant funds		(3,479,956)	(3,095,361)	(3,562,706)	(3,114,452)
Repayment of lease liabilities		(529,381)	(506,961)	-	-
Net cash used in financing activities		<u>(4,009,337)</u>	<u>(3,602,322)</u>	<u>(1,615,396)</u>	<u>(1,761,795)</u>
Net decrease in cash and cash equivalents		(6,573,445)	(2,458,103)	(5,837,969)	(3,302,684)
Cash and cash equivalents at the beginning of the financial year		16,874,843	19,332,946	12,751,408	16,054,092
Cash and cash equivalents at the end of the financial year	13	<u>10,301,398</u>	<u>16,874,843</u>	<u>6,913,439</u>	<u>12,751,408</u>

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

**Local Government NSW
Notes to the financial statements
30 June 2024**

Note 1. Statement by the Board

The financial statements cover both Local Government NSW as an individual entity and the Association consisting of Local Government NSW 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 24 September 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the Association are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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 NSW 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.

**Local Government NSW
Notes to the financial statements
30 June 2024**

Note 2. Material accounting policy information (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 NSW ("LGA") and the Shires Association of NSW ("SA") (collectively referred to as "Local Government NSW") 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 NSW (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. Material accounting policy information (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).

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.

Note 2. Material accounting policy information (continued)

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.

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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

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. Material accounting policy information (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.

Investment - StateCover Mutual Limited

Local Government NSW 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, Local Government NSW 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 Local Government NSW for this facilitation, governance and other services. The shares do not entitle the Local Government NSW 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 Local Government NSW'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

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Investment income				
Interest from deposits held with financial institutions	952,020	627,219	943,123	612,150
Dividend income from equity portfolio	211,543	173,801	211,543	173,801
Equity portfolio - unrealised gains/(losses)	794,487	485,979	794,487	485,979
Held to maturity - unrealised gains/(losses)	279,339	144,459	279,339	144,459
Gain/(loss) on sale of financial instruments	(8,312)	210,768	(8,312)	210,768
Total investment income generated	2,229,077	1,642,226	2,220,180	1,627,157

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

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
Commissions received				
Commission - JLT	588,104	529,045	588,104	529,045
Commission - Statecover	1,500,000	1,441,826	1,500,000	1,441,826
Commission - procurement	11,549,172	11,046,358	-	-
Management fees	-	189,171	-	189,171
Total commissions received	13,637,276	13,206,400	2,088,104	2,160,042

Note 5. Grant income

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Grants received	10,340,884	8,422,019	10,340,884	8,422,019

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Grants paid that were less than \$1,000	-	823	-	823
Grants paid that were \$1,000 or more	7,166,732	6,878,859	7,166,732	6,878,859
Grant administration expenses	3,174,152	1,542,337	3,174,152	1,542,337
	10,340,884	8,422,019	10,340,884	8,422,019

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

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Holders of office				
Wages and salaries	(188,977)	(179,191)	(188,977)	(179,191)
Superannuation	(20,004)	(18,107)	(20,004)	(18,107)
	(208,981)	(197,298)	(208,981)	(197,298)
Employees other than office holders				
Wages and salaries	(12,726,045)	(11,293,819)	(7,762,010)	(6,868,960)
Superannuation	(1,430,044)	(1,211,080)	(885,426)	(751,505)
Leave and other entitlements	(300,862)	(192,631)	(181,758)	(157,063)
Other employee expenses	(1,567,914)	(1,427,623)	(744,693)	(669,784)
	(16,024,865)	(14,125,153)	(9,573,887)	(8,447,312)
	(16,233,846)	(14,322,451)	(9,782,868)	(8,644,610)

Note 7. Affiliation fees

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Australian Local Government Association	(666,605)	(647,117)	(666,605)	(647,117)

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

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Fees/allowances - meeting and conferences	(165,978)	(137,575)	(165,978)	(137,575)
Conference and meeting expenses	(1,665,146)	(1,601,629)	(1,241,622)	(1,257,575)
Contractors/consultants fees	(442,048)	(741,714)	(332,792)	(295,957)
Governance expenses	(129,678)	(132,466)	(91,706)	(78,715)
Property expenses	(425,304)	(363,627)	(419,233)	(354,540)
Office expenses	(180,769)	(191,454)	(113,634)	(114,837)
Information communications technology expenses	(857,642)	(936,843)	(597,449)	(646,366)
Other administration expenses	(1,632,529)	(1,688,406)	(847,737)	(1,032,511)
	(5,499,094)	(5,793,714)	(3,810,151)	(3,918,076)
Lease expenses:				
Low value and short term lease payments	(26,005)	(26,321)	-	-
Total administration expenses	(5,525,099)	(5,820,035)	(3,810,151)	(3,918,076)

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

Note 9. Depreciation and amortisation

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
<i>Depreciation</i>				
Buildings	(324,910)	(322,892)	(324,910)	(322,892)
Property, plant and equipment	(203,548)	(199,148)	(167,226)	(142,978)
Right of use assets	(449,658)	(524,593)	-	-
	(978,116)	(1,046,633)	(492,136)	(465,870)
<i>Amortisation</i>				
Website	(5,579)	(19,177)	(1,984)	(3,932)
	(983,695)	(1,065,810)	(494,120)	(469,802)

Note 10. Legal costs

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
General legal matters	(141,100)	(56,551)	(134,994)	(30,635)

Note 11. Audit and accounting fees

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Audit and Accounting Fees				
Financial audit	54,500	39,500	27,250	19,750
Internal audit	66,155	36,242	40,800	24,842
Accounting fees*	41,897	-	41,897	-
	162,552	75,742	109,947	44,592

*Accounting fees were included in administrative expenses in 2023.

Note 12. Net gain/(loss) on sale or disposal of assets

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Plant and equipment	-	11,123	-	-

Note 13. Current assets - cash and cash equivalents

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash on hand	56	1,056	-	1,000
Cash at bank - Association funds	8,778,210	11,002,870	5,390,307	7,313,920
Cash at bank - Grant funds	1,523,132	5,436,488	1,523,132	5,436,488
Cash on deposit	-	434,429	-	-
	10,301,398	16,874,843	6,913,439	12,751,408

Note 14. Current assets - trade and other receivables

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables	4,543,620	6,318,822	1,252,768	3,873,717
Less: Allowance for expected credit losses	(78,426)	(32,983)	(4,607)	(9,346)
	<u>4,465,194</u>	<u>6,285,839</u>	<u>1,248,161</u>	<u>3,864,371</u>
Net receivable from LGP (LGA NSW) Trust*	-	-	984,940	907,662
Net receivable from LGP (SA NSW) Trust*	-	-	984,940	907,662
Interest and other receivables	5,742	10,152	5,742	10,152
GST receivable	559,501	479,586	468,385	388,939
	<u>5,030,437</u>	<u>6,775,577</u>	<u>3,692,168</u>	<u>6,078,786</u>

The Association does not have significant concentration of credit risk with respect to any single counterparty and manages its exposure as outlined in note 35.

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
*Distributions receivable from Local Government Procurement Partnership	-	-	-	-
Receivable from LGP (LGA NSW) Trust	-	-	1,181,921	1,089,304
Receivable from LGP (SA NSW) Trust	-	-	1,181,921	1,089,304
Loan retained by Local Government Procurement Partnership for working capital	-	-	(393,975)	(363,087)
	<u>-</u>	<u>-</u>	<u>1,969,867</u>	<u>1,815,521</u>

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 Local Government NSW. Refer to note 18 for further information.

Note 15. Current assets - financial assets held at fair value through profit or loss

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Equity portfolio	<u>8,307,536</u>	<u>6,421,310</u>	<u>8,307,536</u>	<u>6,421,310</u>

Note 16. Current assets - financial assets held at amortised cost

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash deposit accounts	6,614,951	2,235,747	6,180,000	2,235,747
Fixed interest - Bendigo Bank	-	1,241,080	-	1,241,080
Term deposit - Commonwealth Bank of Australia	264,237	-	264,237	-
	<u>6,879,188</u>	<u>3,476,827</u>	<u>6,444,237</u>	<u>3,476,827</u>

Note 17. Current assets - prepayments

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Prepayments	609,610	494,924	355,126	221,228
Premium on investments	-	11,006	-	11,006
	<u>609,610</u>	<u>505,930</u>	<u>355,126</u>	<u>232,234</u>

Note 18. Non-current assets - related party loan

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Loans to related parties - Local Government Procurement Partnership	-	-	1,957,509	1,695,533

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 Local Government NSW. As part of the arrangements, an equivalent loan of 10% of the annual LGP surplus is made available by Local Government NSW back to the LGP partnership for working capital purposes.

Note 19. Non-current assets - investments

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Shares in StateCover Mutual Limited, held at cost	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

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

Note 20. Non-current assets - financial assets held at amortised cost

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Term deposit - Commonwealth Bank of Australia	-	250,000	-	250,000
Fixed interest - National Australia Bank	2,271,757	2,834,974	2,271,757	2,834,974
Fixed interest - Suncorp Bank	1,031,950	1,009,900	1,031,950	1,009,900
Mutual Investment - Fixed interest - ANZ Bank	-	1,025,620	-	1,025,620
Fixed interest - Bank of Queensland	2,003,770	1,941,920	2,003,770	1,941,920
Fixed interest - Bendigo Bank	1,290,788	-	1,290,788	-
Fixed interest - Westpac Bank	1,236,276	1,206,036	1,236,276	1,206,036
Fixed interest - Macquarie Bank	2,042,850	1,013,570	2,042,850	1,013,570
Fixed interest - Commonwealth Bank of Australia	1,652,188	1,025,440	1,652,188	1,025,440
	<u>11,529,579</u>	<u>10,307,460</u>	<u>11,529,579</u>	<u>10,307,460</u>

Note 21. Non-current assets - land and buildings

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Land and buildings - at fair value*	16,244,904	15,800,785	16,244,904	15,800,785
<i>Reconciliation</i>				
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:				
Opening fair value	15,800,785	16,123,677	15,800,785	16,123,677
Revaluation of land and buildings	769,029	-	769,029	-
Depreciation expense	(324,910)	(322,892)	(324,910)	(322,892)
Closing fair value	16,244,904	15,800,785	16,244,904	15,800,785

Valuation of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings are revalued periodically based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Note 22. Non-current assets - property, plant and equipment

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Fixtures and fittings - at cost	498,588	498,588	489,244	489,244
Less: Accumulated depreciation	(223,585)	(173,589)	(216,940)	(167,881)
	275,003	324,999	272,304	321,363
Office equipment - at cost	871,448	1,219,477	594,993	1,031,627
Less: Accumulated depreciation	(598,440)	(920,233)	(406,738)	(763,916)
	273,008	299,244	188,255	267,711
Paintings and artworks	500	500	500	500
	548,511	624,743	461,059	589,574

Note 22. 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:

Local Government NSW Consolidated	Fixtures and Fittings*	Office Equipment	Total
	\$	\$	\$
Balance at 1 July 2022	375,357	232,921	608,278
Additions	-	226,984	226,984
Disposals	(2,686)	(8,437)	(11,123)
Depreciation expense	(47,172)	(152,224)	(199,396)
Balance at 30 June 2023	325,499	299,244	624,743
Additions	-	127,316	127,316
Depreciation expense	(49,996)	(153,552)	(203,548)
Balance at 30 June 2024	275,503	273,008	548,511

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

Local Government NSW	Fixtures and Fittings*	Office Equipment	Total
	\$	\$	\$
Balance at 1 July 2022	370,787	154,062	524,849
Additions	-	207,705	207,705
Depreciation expense	(48,924)	(94,056)	(142,980)
Balance at 30 June 2023	321,863	267,711	589,574
Additions	-	38,711	38,711
Depreciation expense	(49,059)	(118,167)	(167,226)
Balance at 30 June 2024	272,804	188,255	461,059

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

Note 23. Non-current assets - right-of-use assets

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Land and buildings - right-of-use	3,147,609	3,147,609	-	-
Less: Accumulated depreciation	(1,723,691)	(1,274,033)	-	-
	1,423,918	1,873,576	-	-

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

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.

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Note 23. 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:

Local Government NSW Consolidated	Land and buildings \$	Total \$
Balance at 1 July 2022	2,398,169	2,398,169
Depreciation expense	(524,593)	(524,593)
Balance at 30 June 2023	1,873,576	1,873,576
Depreciation expense	(449,658)	(449,658)
Balance at 30 June 2024	<u>1,423,918</u>	<u>1,423,918</u>

Note 24. Non-current assets - intangible assets

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Goodwill - at cost	90,000	90,000	-	-
Website and software development - at cost	151,458	151,458	28,100	28,100
Less: Accumulated amortisation	(151,458)	(145,879)	(28,100)	(26,116)
	-	5,579	-	1,984
	<u>90,000</u>	<u>95,579</u>	<u>-</u>	<u>1,984</u>

Reconciliations

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

Local Government NSW Consolidated	Website & Software Development \$	Goodwill \$	Total \$
Balance at 1 July 2022	24,756	90,000	114,756
Disposals	(246)	-	(246)
Amortisation expense	(18,931)	-	(18,931)
Balance at 30 June 2023	5,579	90,000	95,579
Amortisation expense	(5,579)	-	(5,579)
Balance at 30 June 2024	<u>-</u>	<u>90,000</u>	<u>90,000</u>

Local Government NSW
Notes to the financial statements
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Note 24. Non-current assets - intangible assets (continued)

Local Government NSW	Website & Software Development \$
Balance at 1 July 2022	5,916
Amortisation expense	(3,932)
Balance at 30 June 2023	1,984
Amortisation expense	(1,984)
Balance at 30 June 2024	<u>-</u>

Note 25. Non-current assets - investment in associates

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Investment in related party trusts and companies	-	-	36	36

Note 26. Current liabilities - trade and other payables

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Trade payables	134,212	280,094	67,767	198,632
Accrued rebates	1,575,898	1,452,258	-	-
Sundry payables and accrued expenses	487,110	655,861	326,605	361,791
GST payable	1,440,099	1,411,706	1,044,136	1,072,889
	<u>3,637,319</u>	<u>3,799,919</u>	<u>1,438,508</u>	<u>1,633,312</u>

Note 27. Current liabilities - lease liabilities

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Lease liability	479,367	432,931	-	-

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

Note 28. Current liabilities - short term provisions

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Annual leave - employees other than office holders	951,304	942,963	677,064	701,317
Long service leave - employees other than office holders	1,503,289	1,525,002	1,376,561	1,132,317
	<u>2,454,593</u>	<u>2,467,965</u>	<u>2,053,625</u>	<u>1,833,634</u>

Note 29. Current liabilities - other liabilities

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Scholarship funds held	482,231	506,511	482,231	506,511
Unspent government grants	1,868,247	5,323,923	1,666,406	5,204,832
Other deferred income	6,023,495	7,830,825	5,869,845	7,563,025
	<u>8,373,973</u>	<u>13,661,259</u>	<u>8,018,482</u>	<u>13,274,368</u>

Note 30. Non-current liabilities - lease liabilities

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Lease liability	<u>1,211,741</u>	<u>1,691,108</u>	-	-

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

Note 31. Non-current liabilities - long term provisions

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Long service leave - Employees other than office holders	<u>533,347</u>	<u>218,344</u>	<u>120,895</u>	<u>130,177</u>

Note 32. Equity - Settled sum

	Local Government NSW Consolidated		Local Government NSW Consolidated	
	2024	2023	2024	2023
	Units	Units	\$	\$
Settled sum	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

Note 33. Equity - general funds

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Land and buildings revaluation reserve	<u>9,911,871</u>	<u>9,142,842</u>	<u>9,911,871</u>	<u>9,142,842</u>

Land and buildings revaluation reserve

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

Note 34. Equity - retained earnings

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Retained earnings at the beginning of the financial year	34,342,242	30,835,821	34,341,604	30,835,183
Profit after income tax expense for the year	3,020,608	3,506,421	3,020,608	3,506,421
Retained earnings at the end of the financial year	<u>37,362,850</u>	<u>34,342,242</u>	<u>37,362,212</u>	<u>34,341,604</u>

Note 35. Financial instruments

Financial risk management policies

Managing the financial risk exposures of Local Government NSW is the responsibility of the Board. The Board monitors Local Government NSW'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 Local Government NSW 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 Local Government NSW to interest rate risk are term deposits, fixed interest investments and cash and cash equivalents.

Local Government NSW Consolidated	2024		2023	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	1.00%	10,301,398	1.00%	16,874,843
Investments (subject to interest rate risk)	6.78%	18,408,767	6.66%	13,784,287
Net exposure to cash flow interest rate risk		<u>28,710,165</u>		<u>30,659,130</u>

An official increase/decrease in interest rates of one hundred basis points would have a deemed favourable/(adverse) effect on profit before tax of \$287,102/(\$287,102) (2023: 306,591/(\$306,591)) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Note 35. 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 Local Government NSW.

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 Local Government NSW, 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 14.

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 Local Government NSW 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.

Local Government NSW 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 35. 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.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Local Government NSW Consolidated - 2024	%	\$	\$	\$	\$	\$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	3,637,319	-	-	-	3,637,319
Unspent government grants / scholarship funds	-	1,868,247	-	-	482,231	2,350,478
Lease liabilities	-	553,119	577,688	704,346	-	1,835,153
Total non-derivatives		6,058,685	577,688	704,346	482,231	7,822,950

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Local Government NSW Consolidated - 2023	%	\$	\$	\$	\$	\$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	3,799,919	-	-	-	3,799,919
Unspent government grants / scholarship funds	-	5,323,923	-	-	506,511	5,830,434
Lease liabilities	-	529,381	553,119	1,282,033	-	2,364,533
Total non-derivatives		9,653,223	553,119	1,282,033	506,511	11,994,886

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Local Government NSW - 2024	%	\$	\$	\$	\$	\$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	1,438,508	-	-	-	1,438,508
Unspent government grants / scholarship funds	-	1,666,406	-	-	482,231	2,148,637
Total non-derivatives		3,104,914	-	-	482,231	3,587,145

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Local Government NSW - 2023	%	\$	\$	\$	\$	\$
Financial liabilities						
<i>Non-interest bearing</i>						
Trade payables	-	1,633,312	-	-	-	1,633,312
Unspent government grants / scholarship funds	-	5,204,832	-	-	506,511	5,711,343
Total non-derivatives		6,838,144	-	-	506,511	7,344,655

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

Note 35. Financial instruments (continued)

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:

	2024		2023	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Local Government NSW Consolidated				
<i>Assets</i>				
Cash and cash equivalents	10,301,398	10,301,398	16,874,843	16,874,843
Trade and other receivables	5,030,437	5,030,437	6,775,577	6,775,577
Financial assets held at amortised cost (current)	6,879,188	6,879,188	3,476,827	3,476,827
Financial assets held at amortised costs (non-current)	11,529,579	11,529,579	10,307,460	10,307,460
Financial assets held at fair value through profit or loss (current)	8,307,536	8,307,536	6,421,310	6,421,310
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
	<u>45,138,138</u>	<u>45,138,138</u>	<u>46,946,017</u>	<u>46,946,017</u>
<i>Liabilities</i>				
Trade and other payables	(3,637,319)	(3,637,319)	(3,799,919)	(3,799,919)
Unspent government grants / scholarship funds	(2,350,478)	(2,350,478)	(5,830,434)	(5,830,434)
Lease liabilities	(1,691,108)	(1,691,108)	(2,124,039)	(2,124,039)
	<u>(7,678,905)</u>	<u>(7,678,905)</u>	<u>(11,754,392)</u>	<u>(11,754,392)</u>

Note 35. Financial instruments (continued)

	2024		2023	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Local Government NSW				
<i>Assets</i>				
Cash and cash equivalents	6,913,439	6,913,439	12,751,408	12,751,408
Trade and other receivables (*)	1,722,300	1,722,300	4,263,279	4,263,279
Financial assets held at amortised cost (current)	6,879,188	6,879,188	3,476,827	3,476,827
Financial assets held at amortised costs (non-current)	11,529,579	11,529,579	10,307,460	10,307,460
Financial assets held at fair value through profit or loss (current)	8,307,536	8,307,536	6,421,310	6,421,310
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>38,352,078</u>	<u>38,352,078</u>	<u>40,220,320</u>	<u>40,220,320</u>
<i>Liabilities</i>				
Trade and other payables	(1,438,508)	(1,438,508)	(1,633,312)	(1,633,312)
Unspent government grants / scholarship funds	(2,148,637)	(2,148,637)	(5,711,343)	(5,711,343)
	<u>(3,587,145)</u>	<u>(3,587,145)</u>	<u>(7,344,655)</u>	<u>(7,344,655)</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 \$
Local Government NSW Consolidated - 2024				
Financial assets held at amortised cost (current)	-	6,879,188	-	6,879,188
Financial assets held at amortised costs (non-current)	-	11,529,579	-	11,529,579
Financial assets held at fair value through profit or loss (current)	8,307,536	-	-	8,307,536
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Shares in Australian Academy of Transformative Education Pty Limited	-	90,000	-	90,000
	<u>8,307,536</u>	<u>21,498,767</u>	<u>-</u>	<u>29,806,303</u>
Local Government NSW Consolidated - 2023				
Financial assets held at amortised cost (current)	-	3,476,827	-	3,476,827
Financial assets held at amortised costs (non-current)	-	10,307,460	-	10,307,460
Financial assets held at fair value through profit or loss (current)	6,421,310	-	-	6,421,310
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Shares in Australian Academy of Transformative Education Pty Limited	-	90,000	-	90,000
	<u>6,421,310</u>	<u>16,874,287</u>	<u>-</u>	<u>23,295,597</u>

Note 35. Financial instruments (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Local Government NSW - 2024				
Financial assets held at amortised cost (current)	-	6,879,188	-	6,879,188
Financial assets held at amortised costs (non-current)	-	11,529,579	-	11,529,579
Financial assets held at fair value through profit or loss (current)	8,307,536	-	-	8,307,536
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Investment in associates	-	-	36	36
	<u>8,307,536</u>	<u>21,408,767</u>	<u>36</u>	<u>29,716,339</u>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Local Government NSW - 2023				
Financial assets held at amortised cost (current)	-	3,476,827	-	3,476,827
Financial assets held at amortised costs (non-current)	-	10,307,460	-	10,307,460
Financial assets held at fair value through profit or loss (current)	6,421,310	-	-	6,421,310
Shares in StateCover Mutual Limited	-	3,000,000	-	3,000,000
Investment in associates	-	-	36	36
	<u>6,421,310</u>	<u>16,784,287</u>	<u>36</u>	<u>23,205,633</u>

Note 36. Related party disclosures

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue received from LGP (LGA NSW) Trust includes the following:				
Trust distributions	-	-	1,181,921	1,089,304
	<u>-</u>	<u>-</u>	<u>1,181,921</u>	<u>1,089,304</u>
	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Revenue received from LGP (SA NSW) Trust includes the following:				
Trust distributions	-	-	1,181,921	1,089,304
	<u>-</u>	<u>-</u>	<u>1,181,921</u>	<u>1,089,304</u>
	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Amounts receivable from LGP (LGA NSW) Trust includes the following:				
Trust distribution receivable	-	-	984,934	907,753
	<u>-</u>	<u>-</u>	<u>984,934</u>	<u>907,753</u>

Note 36. Related party disclosures (continued)

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Amounts receivable from LGP (SA NSW) Trust includes the following:				
Trust distribution receivable	-	-	984,934	907,753
	<u>-</u>	<u>-</u>	<u>984,934</u>	<u>907,753</u>
	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Amounts receivable from Local Government Procurement Partnership includes the following:				
Loan to Local Government Procurement Partnership (non-current)	-	-	1,957,509	1,695,533
	<u>-</u>	<u>-</u>	<u>1,957,509</u>	<u>1,695,533</u>

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 2024, the Association has not recorded any impairment of receivables relating to amounts owed by related parties (2023: \$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 37. 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 Darriea Turley AM.

	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Short-term employee benefits				
Salary (including annual leave taken)	189,767	178,303	189,767	178,303
	<u>189,767</u>	<u>178,303</u>	<u>189,767</u>	<u>178,303</u>
	Local Government NSW Consolidated		Local Government NSW	
	2024 \$	2023 \$	2024 \$	2023 \$
Post-employment benefits				
Superannuation	20,788	18,722	20,788	18,722
	<u>20,788</u>	<u>18,722</u>	<u>20,788</u>	<u>18,722</u>

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 2024 and 30 June 2023.

**Local Government NSW
Notes to the financial statements
30 June 2024**

Note 38. 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:

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
<i>Audit services</i>				
Audit of the financial statements	54,500	39,500	27,250	19,750

Note 39. Contingent assets

The Association was not aware of any contingent assets as at 30 June 2024 (30 June 2023: none).

Note 40. Contingent liabilities

The Association has provided bank guarantees for the purpose of rental contracts amounting to \$343,912 (2023: \$343,176) by the Commonwealth Bank.

The Association was not aware of any other contingent liabilities as at 30 June 2024 (30 June 2023: none).

Note 41. 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. There are no capital commitments.

Note 42. Reconciliation of profit after income tax to net cash from operating activities

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Profit after income tax expense for the year	3,020,608	3,506,421	3,020,608	3,506,421
Adjustments for:				
Depreciation and amortisation	983,695	1,065,812	494,120	469,804
Capital (gain)/loss on floating rate note investments	(1,073,826)	(630,438)	(1,073,826)	(630,438)
Trust distributions	-	-	(2,363,842)	(2,178,608)
Interest expense on operating leases	96,450	116,913	-	-
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables	1,745,140	219,880	2,541,174	779,567
(Increase)/decrease in prepayments	(103,680)	28,703	(122,892)	27,382
Increase/(decrease) in trade payables and accruals	(162,600)	537,773	(194,804)	53,524
Increase/(decrease) in deferred income	(1,807,330)	128,779	(1,693,180)	214,329
Increase/(decrease) in provisions	301,631	(32,578)	210,709	6,266
Net cash from operating activities	3,000,088	4,941,265	818,067	2,248,247

**Local Government NSW
Notes to the financial statements
30 June 2024**

Note 43. Cash flow information

	Local Government NSW Consolidated		Local Government NSW	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash inflows				
Local Government Procurement Partnership	-	-	1,947,310	1,352,657

Note 44. 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.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The actuary's expected employer contributions to the Fund to address the current deficit, over the next annual reporting period, amounts to approximately \$31,401.

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 ended 30 June 2024 was \$46,988.

Significant actuarial assumptions

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

Increase in CPI	3.50% for FY 23/24 (2.5% pa thereafter)
Investment return	6.00%
Salary inflation	3.50%

The consolidated entity no longer has any current employees that are members of the defined benefits scheme.

Note 45. Events after the reporting period

No matters or circumstances have arisen since 30 June 2024 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.

Local Government Procurement Partnership

Financial Statements - 30 June 2024

Local Government Procurement Partnership

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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 2024, 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 material accounting policy information, and the declaration by those charged with governance, including a summary of material accounting policy information

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Partnership as at 30 June 2024 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.

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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.

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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 2024 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

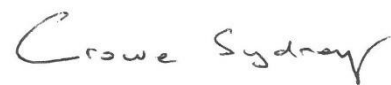
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

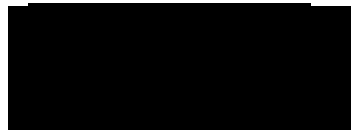
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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
Senior Partner

24 September 2024
Sydney

**Local Government Procurement Partnership
Partners' declaration
30 June 2024**

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 2024 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:



Partner

24 September 2024

Local Government Procurement Partnership
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	4	12,631,130	11,969,530
Expenses			
Employee benefits expense		(6,574,564)	(5,773,342)
Rebates to councils		(1,456,653)	(1,452,258)
Finance costs		(96,450)	(116,913)
Administration expenses		(1,319,661)	(1,227,369)
Consultancy costs		(109,256)	(445,757)
Conference expense		(221,129)	(190,398)
Gain/(loss) on sale of assets		-	11,123
Depreciation, amortisation and impairment	5	(489,575)	(596,008)
Profit before income tax expense		2,363,842	2,178,608
Income tax expense		-	-
Profit after income tax expense for the year attributable to the partners of Local Government Procurement Partnership		2,363,842	2,178,608
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>2,363,842</u>	<u>2,178,608</u>
Distribution to partners:			
LGP (LGA NSW) Trust - 50% Partner		1,181,921	1,089,304
LGP (SA NSW) Trust - 50% Partner		1,181,921	1,089,304
		<u>2,363,842</u>	<u>2,178,608</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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,386,341	4,121,817
Trade and other receivables	7	3,309,073	2,513,039
Financial assets held at amortised cost	9	434,951	-
Prepayments	11	254,484	273,696
Total current assets		<u>7,384,849</u>	<u>6,908,552</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	8	90,000	90,000
Property, plant and equipment	12	87,452	35,169
Right-of-use assets	10	1,423,918	1,873,576
Intangibles	13	-	3,595
Total non-current assets		<u>1,601,370</u>	<u>2,002,340</u>
Total assets		<u>8,986,219</u>	<u>8,910,892</u>
Liabilities			
Current liabilities			
Trade and other payables	14	4,168,691	3,981,931
Lease liabilities	15	479,367	432,931
Provisions	16	400,968	634,331
Other liabilities	17	355,491	386,891
Total current liabilities		<u>5,404,517</u>	<u>5,436,084</u>
Non-current liabilities			
Trade and other payables	14	1,957,509	1,695,533
Lease liabilities	15	1,211,741	1,691,108
Provisions	16	412,452	88,167
Total non-current liabilities		<u>3,581,702</u>	<u>3,474,808</u>
Total liabilities		<u>8,986,219</u>	<u>8,910,892</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 2024**

	Partners' funds \$	Total partners' funds \$
Balance at 1 July 2022	-	-
Profit after income tax expense for the year	2,178,608	2,178,608
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,178,608	2,178,608
Profit distribution to LGP (LGA NSW) Trust	(1,089,304)	(1,089,304)
Profit distribution to LGP (SA NSW) Trust	(1,089,304)	(1,089,304)
Balance at 30 June 2023	-	-
	Partners' funds \$	Total partners' funds \$
Balance at 1 July 2023	-	-
Profit after income tax expense for the year	2,363,842	2,363,842
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	2,363,842	2,363,842
Profit distribution to LGP (LGA NSW) Trust	(1,181,921)	(1,181,921)
Profit distribution to LGP (SA NSW) Trust	(1,181,921)	(1,181,921)
Balance at 30 June 2024	-	-

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

**Local Government Procurement Partnership
Statement of cash flows
For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		11,794,799	11,228,034
Payments to suppliers and employees		(9,538,925)	(8,530,994)
Interest received		2,255,874	2,697,040
		8,897	15,069
Net cash from operating activities	18	2,264,771	2,712,109
Cash flows from investing activities			
Payments for property, plant and equipment	12	(88,605)	(19,279)
Proceeds from sale of property, plant and equipment		-	11,123
Proceeds from disposal of intangibles		-	246
Investment in term deposit		(434,951)	-
Net cash used in investing activities		(523,556)	(7,910)
Cash flows from financing activities			
Distributions to partners		(1,947,310)	(1,352,657)
Repayment of lease liabilities		(529,381)	(506,961)
Net cash used in financing activities		(2,476,691)	(1,859,618)
Net increase/(decrease) in cash and cash equivalents		(735,476)	844,581
Cash and cash equivalents at the beginning of the financial year		4,121,817	3,277,236
Cash and cash equivalents at the end of the financial year	6	3,386,341	4,121,817

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

**Local Government Procurement Partnership
Notes to the financial statements
30 June 2024**

Note 1. General information

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

The financial statements were authorised for issue on 24 September 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the partnership are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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 material 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 material 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.

**Local Government Procurement Partnership
Notes to the financial statements
30 June 2024**

Note 2. Material accounting policy information (continued)

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.

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.

Investments and other financial assets

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 partnership 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 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.

Impairment of financial assets

The partnership recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the partnership's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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.

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

	2024 \$	2023 \$
Procurement	11,549,172	11,046,358
Council services	669,521	571,436
Conferences and seminars	400,100	314,250
Interest received from financial institutions	8,897	15,069
Other revenue	3,440	22,417
	<u>12,631,130</u>	<u>11,969,530</u>

Note 5. Profit from ordinary activities

Profit from ordinary activities includes the following specific expenses:

	2024 \$	2023 \$
Expenses		
Depreciation of property, plant and equipment	(36,322)	(56,170)
Depreciation of right of use assets	(449,658)	(524,593)
Amortisation of intangible assets	(3,595)	(14,999)
	<u>(489,575)</u>	<u>(595,762)</u>
	2024 \$	2023 \$
Remuneration of auditor		
Auditing or reviewing the financial report	<u>(24,250)</u>	<u>(22,800)</u>

Note 6. Cash and cash equivalents

	2024 \$	2023 \$
<i>Current assets</i>		
Cash at bank	3,386,341	3,687,388
Cash on deposit*	-	434,429
	<u>3,386,341</u>	<u>4,121,817</u>

*Refer to note 9 Financial assets held at amortised cost.

Note 7. Trade and other receivables

	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	3,291,776	2,446,029
Less: Allowance for expected credit losses	(73,819)	(23,637)
GST receivable	91,116	90,647
	<u>3,309,073</u>	<u>2,513,039</u>

Note 8. Financial assets at fair value through other comprehensive income

	2024 \$	2023 \$
<i>Non-current assets</i>		
Shares in Registered Training Organisation	<u>90,000</u>	<u>90,000</u>

Note 9. Financial assets held at amortised cost

	2024 \$	2023 \$
<i>Current assets</i>		
Term deposits - Commonwealth Bank of Australia	<u>434,951</u>	<u>-</u>

Note 10. Right-of-use assets

	2024 \$	2023 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	3,147,609	3,147,609
Less: Accumulated depreciation	(1,723,691)	(1,274,033)
	<u>1,423,918</u>	<u>1,873,576</u>

Local Government Procurement Partnership
Notes to the financial statements
30 June 2024

Note 11. Prepayments

	2024 \$	2023 \$
<i>Current assets</i>		
Prepayments	<u>254,484</u>	<u>273,696</u>

Note 12. Property, plant and equipment

	2024 \$	2023 \$
<i>Non-current assets</i>		
Fixtures and fittings - at cost	9,344	9,344
Less: Accumulated depreciation	<u>(6,645)</u>	<u>(5,708)</u>
	<u>2,699</u>	<u>3,636</u>
Office equipment - at cost	276,455	187,850
Less: Accumulated depreciation	<u>(191,702)</u>	<u>(156,317)</u>
	<u>84,753</u>	<u>31,533</u>
	<u><u>87,452</u></u>	<u><u>35,169</u></u>

Reconciliations

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

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Total \$
Balance at 1 July 2022	4,570	78,859	83,429
Additions	-	19,279	19,279
Disposals	-	(11,123)	(11,123)
Depreciation expense	<u>(934)</u>	<u>(55,482)</u>	<u>(56,416)</u>
Balance at 30 June 2023	3,636	31,533	35,169
Additions	-	88,605	88,605
Depreciation expense	<u>(937)</u>	<u>(35,385)</u>	<u>(36,322)</u>
Balance at 30 June 2024	<u><u>2,699</u></u>	<u><u>84,753</u></u>	<u><u>87,452</u></u>

Note 13. Intangibles

	2024 \$	2023 \$
<i>Non-current assets</i>		
Website - at cost	123,358	123,358
Less: Accumulated amortisation	<u>(123,358)</u>	<u>(119,763)</u>
	<u>-</u>	<u>3,595</u>

Local Government Procurement Partnership
Notes to the financial statements
30 June 2024

Note 13. Intangibles (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 \$
Balance at 1 July 2022	18,840
Disposals	(246)
Amortisation expense	<u>(14,999)</u>
Balance at 30 June 2023	3,595
Amortisation expense	<u>(3,595)</u>
Balance at 30 June 2024	<u><u>-</u></u>

Note 14. Trade and other payables

	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	66,445	81,462
Accrued rebates	1,575,898	1,452,258
Sundry payables and accrued expenses	160,505	294,070
GST payable	395,963	338,817
Net payable to LGP (LGA NSW) Trust*	984,940	907,662
Net payable to LGP (SA NSW) Trust*	<u>984,940</u>	<u>907,662</u>
	<u>4,168,691</u>	<u>3,981,931</u>
<i>Non-current liabilities</i>		
Payable to Local Government NSW**	<u>1,957,509</u>	<u>1,695,533</u>
	<u><u>6,126,200</u></u>	<u><u>5,677,464</u></u>
	<u><u>2024</u></u>	<u><u>2023</u></u>
	<u><u>\$</u></u>	<u><u>\$</u></u>
*Distributions payable to Local Government NSW		
Payable to LGP (LGA NSW) Trust	1,181,921	1,089,304
Payable to LGP (SA NSW) Trust	1,181,921	1,089,304
Advance provision for partnership working capital loan	<u>(393,975)</u>	<u>(363,087)</u>
Aggregate net payable to the trusts	<u><u>1,969,867</u></u>	<u><u>1,815,521</u></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.

** 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.

Local Government Procurement Partnership
Notes to the financial statements
30 June 2024

Note 15. Lease liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Lease liability	479,367	432,931
<i>Non-current liabilities</i>		
Lease liability	1,211,741	1,691,108
	<u>1,691,108</u>	<u>2,124,039</u>

Note 16. Provisions

	2024 \$	2023 \$
<i>Current liabilities</i>		
Annual leave	274,240	241,646
Long service leave	126,728	392,685
	<u>400,968</u>	<u>634,331</u>
<i>Non-current liabilities</i>		
Long service leave	412,452	88,167
	<u>813,420</u>	<u>722,498</u>

Note 17. Other liabilities

	2024 \$	2023 \$
<i>Current liabilities</i>		
Deferred income	355,491	386,891

Note 18. Reconciliation of profit after income tax to net cash from operating activities

	2024 \$	2023 \$
Profit after income tax expense for the year	2,363,842	2,178,608
Adjustments for:		
Depreciation and amortisation	489,575	596,008
Interest expense on leases	96,450	116,913
Change in operating assets and liabilities:		
Increase in trade and other receivables	(796,034)	(659,968)
Decrease in other assets	19,212	1,321
Increase in trade and other payables	32,204	584,530
(Decrease) in deferred revenue	(31,400)	(66,459)
(Decrease)/increase in provisions	90,922	(38,844)
Net cash from operating activities	<u>2,264,771</u>	<u>2,712,109</u>

Local Government Procurement Partnership
Notes to the financial statements
30 June 2024

Note 19. 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 20. 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 \$984,940 (2023: \$907,662) to LGP (LGA NSW) Trust and \$984,940 (2023: \$907,662) 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 \$1,957,509 (2023: \$1,695,533) representing working capital funding extended to facilitate the partnership's growth objectives.

Please refer to note 14 for further details.

Note 21. Contingent assets

The partnership was not aware of any contingent assets as at 30 June 2024 (30 June 2023: nil).

Note 22. Contingent liabilities

The partnership has provided bank guarantees for the purpose of rental contracts amounting to \$343,912 (2023: \$343,176) by the Commonwealth Bank.

The partnership was not aware of any other contingent liabilities as at 30 June 2024 (30 June 2023: nil).

LGP (SA NSW) Pty Ltd

ACN 117 201 064

Financial Statements - 30 June 2024

LGP (SA NSW) Pty Ltd

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Compilation Report to the members of LGP (SA NSW) Pty Ltd

We have compiled the accompanying special purpose financial statements of LGP (SA NSW) Pty Ltd (the Company), which comprise the statement of financial position as at 30 June 2024, the statement of changes in equity and statement of cash flows for the year ended 30 June 2024, a summary of material accounting policy information, and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements. The specific purpose for which the special purpose financial report has been prepared is set out in Note 1.

The Responsibility of Directors

The Directors of the Company are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used, as described in Note 1, is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

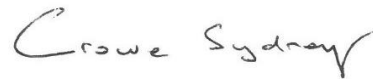
On the basis of information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework as described in Note 1, and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

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

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



Crowe Sydney

Ash Pather
Senior Partner
24 September 2024
Sydney

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

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.

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LGP (SA NSW) Pty Ltd Directors' report 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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:

Darriea Turley
Scott Ferguson - To 10 December 2023
Phyllis Miller - From 25 June 2024

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 2023: \$nil).

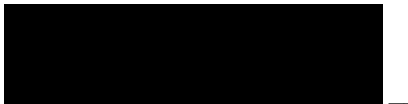
Significant changes in the state of affairs

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 2024 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

___24 September_____ 2024

**LGP (SA NSW) Pty Ltd
Directors' declaration
30 June 2024**

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 2024 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

__24 September_____ 2024

**LGP (SA NSW) Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024**

	2024 \$	2023 \$
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	<u>-</u>	<u>-</u>

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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		<u>12</u>	<u>12</u>
Total assets		<u>12</u>	<u>12</u>
Liabilities			
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>12</u>	<u>12</u>
Equity			
Issued capital	3	12	12
Total equity		<u>12</u>	<u>12</u>

LGP (SA NSW) Pty Ltd
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Total equity \$
Balance at 1 July 2022	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-
Balance at 30 June 2023	<u>12</u>	<u>12</u>
	Issued capital \$	Total equity \$
Balance at 1 July 2023	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-
Balance at 30 June 2024	<u>12</u>	<u>12</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) Pty Ltd
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
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	<u>12</u>	<u>12</u>

LGP (SA NSW) Pty Ltd
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 material 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.

Note 2. Current assets - cash and cash equivalents

	2024 \$	2023 \$
Cash on hand	<u>12</u>	<u>12</u>

Note 3. Equity - issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

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.

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

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

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

	2024 \$	2023 \$
Current liabilities		
Local Government NSW	<u>1,181,921</u>	<u>1,089,304</u>

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 NSW (the "Association") and were sufficient to discharge all liabilities of the trust at 30 June 2024 and 30 June 2023 respectively.

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

	2024 \$	2023 \$
Current assets		
Cash on hand	10	10
Cash at bank	<u>781</u>	<u>781</u>
	<u>791</u>	<u>791</u>
	2024	2023
	\$	\$
Current assets - related party receivables		
Receivables from Local Government Procurement Partnership	<u>1,181,921</u>	<u>1,089,304</u>

Note 5. Contingent assets

The company was not aware of any contingent assets as at 30 June 2024 (30 June 2023: none).

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 2024 (30 June 2023: none).

Note 7. Company details

The registered office of the company is:

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

Note 8. Compilation report

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

LGP (LGA NSW) Trust

Financial Statements - 30 June 2024

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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 2024, 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 material accounting policy information, and directors' declaration.

In our opinion, the accompanying financial report of the Trust presents fairly, in all material respects, the financial position of the Trust as at 30 June 2024 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 the Directors for the Financial Report

The directors of the Trust are 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 the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust 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.

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

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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.

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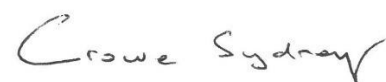
Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Trust audit. We remain solely responsible for our audit opinion.

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



Crowe Sydney



Ash Pather
Senior Partner

24 September 2024
Sydney

LGP (LGA NSW) Trust Trustees' declaration 30 June 2024

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report has been 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 2024 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.



Director

__24 September_____ 2024

LGP (LGA NSW) Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024 \$	2023 \$
Income		
Distribution income received from Local Government Procurement Partnership	1,181,921	1,089,304
Profit before income tax expense	1,181,921	1,089,304
Income tax expense	-	-
Profit after income tax expense for the year attributable to the beneficiaries of LGP (LGA NSW) Trust	1,181,921	1,089,304
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>1,181,921</u>	<u>1,089,304</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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	2	791	791
Related party receivables	3	1,181,921	1,089,304
Total current assets		<u>1,182,712</u>	<u>1,090,095</u>
Total assets		<u>1,182,712</u>	<u>1,090,095</u>
Liabilities			
Current liabilities			
Related party payables	4	1,181,921	1,089,304
Total current liabilities		<u>1,181,921</u>	<u>1,089,304</u>
Total liabilities		<u>1,181,921</u>	<u>1,089,304</u>
Net assets		<u>791</u>	<u>791</u>
Equity			
Settled sum		10	10
Retained earnings		<u>781</u>	<u>781</u>
Total equity		<u>791</u>	<u>791</u>

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

LGP (LGA NSW) Trust
Statement of changes in equity
For the year ended 30 June 2024

	Settled Sum	Retained	Total equity
	\$	Earnings	\$
		\$	
Balance at 1 July 2022	10	781	791
Profit after income tax expense for the year	-	1,089,304	1,089,304
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,089,304	1,089,304
<i>Transactions with beneficiaries in their capacity as beneficiaries:</i>			
Distribution payable to Local Government New South Wales	-	(1,089,304)	(1,089,304)
Balance at 30 June 2023	<u>10</u>	<u>781</u>	<u>791</u>

	Settled Sum	Retained	Total equity
	\$	Earnings	\$
		\$	
Balance at 1 July 2023	10	781	791
Profit after income tax expense for the year	-	1,181,921	1,181,921
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,181,921	1,181,921
<i>Transactions with beneficiaries in their capacity as beneficiaries:</i>			
Distribution payable to Local Government New South Wales	-	(1,181,921)	(1,181,921)
Balance at 30 June 2024	<u>10</u>	<u>781</u>	<u>791</u>

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

LGP (LGA NSW) Trust
Statement of cash flows
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
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	<u>791</u>	<u>791</u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the trust are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 material 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

	2024 \$	2023 \$
Cash on hand	10	10
Cash at bank	781	781
	<u>791</u>	<u>791</u>

Note 3. Current assets - related party receivables

	2024 \$	2023 \$
Receivables from Local Government Procurement Partnership	1,181,921	1,089,304
	<u>1,181,921</u>	<u>1,089,304</u>

Note 4. Current liabilities - related party payables

	2024 \$	2023 \$
Payables to Local Government New South Wales	1,181,921	1,089,304
	<u>1,181,921</u>	<u>1,089,304</u>

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 2024 (30 June 2023: none).

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 2024 (30 June 2023: none).

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

	2024 \$	2023 \$
Profit after income tax expense for the year	1,181,921	1,089,304
Adjustments for:		
Profit distribution from Local Government Procurement Partnership	(1,181,921)	(1,089,304)
Change in operating assets and liabilities:		
Increase in related party receivables	(92,617)	(373,841)
Increase in related party payables	92,617	373,841
	<u>-</u>	<u>-</u>
Net cash from operating activities	<u>-</u>	<u>-</u>

LGP (LGA NSW) Pty Ltd

ACN 117 201 055

Financial Statements - 30 June 2024

LGP (SA NSW) Pty Ltd

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Compilation Report to the members of LGP (LGA NSW) Pty Ltd

We have compiled the accompanying special purpose financial statements of LGP (LGA NSW) Pty Ltd (the Company), which comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2024, a summary of material accounting policy information, and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements. The specific purpose for which the special purpose financial report has been prepared is set out in Note 1.

The Responsibility of Directors

The Directors of the Company are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used, as described in Note 1, is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework as described in Note 1, and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

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

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



Crowe Sydney

Ash Pather
Senior Partner

24 September 2024
Sydney

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

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.

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LGP (LGA NSW) Pty Ltd Directors' report 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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:

Darriea Turley
Khal Asfour

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 2023: \$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 2024 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

____ 24 September _____ 2024

LGP (LGA NSW) Pty Ltd
Directors' declaration
30 June 2024

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 2024 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

_____ 24 September ____ 2024

LGP (LGA NSW) Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024 \$	2023 \$
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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		<u>12</u>	<u>12</u>
Total assets		<u>12</u>	<u>12</u>
Liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>12</u>	<u>12</u>
Equity			
Issued capital	3	12	12
Total equity		<u>12</u>	<u>12</u>

LGP (LGA NSW) Pty Ltd
Statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Total equity \$
Balance at 1 July 2022	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>
Balance at 30 June 2023	<u>12</u>	<u>12</u>
	Issued capital \$	Total equity \$
Balance at 1 July 2023	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>
Balance at 30 June 2024	<u>12</u>	<u>12</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 (LGA NSW) Pty Ltd
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
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	<u>12</u>	<u>12</u>

LGP (LGA NSW) Pty Ltd
Notes to the financial statements
30 June 2024

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 material 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.

Note 2. Current assets - cash and cash equivalents

	2024 \$	2023 \$
Cash on hand	<u>12</u>	<u>12</u>

Note 3. Equity - issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

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.

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

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

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

	2024 \$	2023 \$
Current liabilities		
Local Government NSW	<u>1,181,921</u>	<u>1,089,304</u>

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 NSW (the "Association") and were sufficient to discharge all liabilities of the trust at 30 June 2024 and 30 June 2023 respectively.

	2024 \$	2023 \$
Current assets		
Cash on hand	10	10
Cash at bank	<u>781</u>	<u>781</u>
	<u>791</u>	<u>791</u>
	2024 \$	2023 \$
Current assets - related party receivables		
Receivables from Local Government Procurement Partnership	<u>1,181,921</u>	<u>1,089,304</u>

Note 5. Contingent assets

The company was not aware of any contingent assets as at 30 June 2024 (30 June 2023: none).

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 2024 (30 June 2023: none).

Note 7. Company details

The registered office of the company is:

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

Note 8. Compilation report

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

LGP (SA NSW) Trust

Financial Statements - 30 June 2024

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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 2024, 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 material accounting policy information, and directors' declaration.

In our opinion, the accompanying financial report of the Trust presents fairly, in all material respects, the financial position of the Trust as at 30 June 2024 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 the Directors for the Financial Report

The directors of the Trust 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 the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors is responsible for assessing the ability of the Trust 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.

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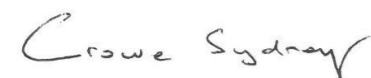
Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Trust audit. We remain solely responsible for our audit opinion.

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
Senior Partner
24 September 2024
Sydney

LGP (SA NSW) Trust Trustees' declaration 30 June 2024

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report has been 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 2024 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.



Director

__24 September____ 2024

LGP (SA NSW) Trust
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024 \$	2023 \$
Income		
Distribution income received from Local Government Procurement Partnership	1,181,921	1,089,304
Profit before income tax expense	1,181,921	1,089,304
Income tax expense	-	-
Profit after income tax expense for the year attributable to the members of LGP (SA NSW) Trust	1,181,921	1,089,304
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>1,181,921</u>	<u>1,089,304</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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	2	791	791
Related party receivables	3	1,181,921	1,089,304
Total current assets		<u>1,182,712</u>	<u>1,090,095</u>
Total assets		<u>1,182,712</u>	<u>1,090,095</u>
Liabilities			
Current liabilities			
Related party payables	4	1,181,921	1,089,304
Total current liabilities		<u>1,181,921</u>	<u>1,089,304</u>
Total liabilities		<u>1,181,921</u>	<u>1,089,304</u>
Net assets		<u>791</u>	<u>791</u>
Equity			
Settled sum		10	10
Retained earnings		<u>781</u>	<u>781</u>
Total equity		<u>791</u>	<u>791</u>

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

LGP (SA NSW) Trust
Statement of changes in equity
For the year ended 30 June 2024

	Settled Sum	Retained	Total equity
	\$	Earnings	\$
	\$	\$	\$
Balance at 1 July 2022	10	781	791
Profit after income tax expense for the year	-	1,089,304	1,089,304
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,089,304	1,089,304
<i>Transactions with beneficiaries in their capacity as beneficiaries :</i>			
Distribution payable to Local Government New South Wales	-	(1,089,304)	(1,089,304)
Balance at 30 June 2023	<u>10</u>	<u>781</u>	<u>791</u>

	Settled Sum	Retained	Total equity
	\$	Earnings	\$
	\$	\$	\$
Balance at 1 July 2023	10	781	791
Profit after income tax expense for the year	-	1,181,921	1,181,921
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,181,921	1,181,921
<i>Transactions with beneficiaries in their capacity as beneficiaries :</i>			
Distribution payable to Local Government New South Wales	-	(1,181,921)	(1,181,921)
Balance at 30 June 2024	<u>10</u>	<u>781</u>	<u>791</u>

LGP (SA NSW) Trust
Statement of cash flows
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
		\$	\$
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	<u>791</u>	<u>791</u>

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. Material accounting policy information

The accounting policies that are material to the trust are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 material 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

	2024 \$	2023 \$
Cash on hand	10	10
Cash at bank	781	781
	<u>791</u>	<u>791</u>

Note 3. Current assets - related party receivables

	2024 \$	2023 \$
Receivables from Local Government Procurement Partnership	1,181,921	1,089,304
	<u>1,181,921</u>	<u>1,089,304</u>

Note 4. Current liabilities - related party payables

	2024 \$	2023 \$
Payables to Local Government New South Wales	1,181,921	1,089,304
	<u>1,181,921</u>	<u>1,089,304</u>

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 2024 (30 June 2023: none).

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 2024 (30 June 2023: none).

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

	2024 \$	2023 \$
Profit after income tax expense for the year	1,181,921	1,089,304
Adjustments for:		
Profit distribution from Local Government Procurement Partnership	(1,181,921)	(1,089,304)
Change in operating assets and liabilities:		
Increase in related party receivables	(92,617)	(373,841)
Increase in related party payables	92,617	373,841
	<u>-</u>	<u>-</u>
Net cash from operating activities	<u>-</u>	<u>-</u>

Local Government Procurement Pty Ltd

ACN 117 201 046

Financial Statements - 30 June 2024

Local Government Procurement Pty Ltd

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30 June 2024

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Compilation Report to the members of Local Government Procurement Pty Ltd

We have compiled the accompanying special purpose financial statements of Local Government Procurement Pty Ltd (the Company), which comprise the statement of financial position as at 30 June 2024, the statement of changes in equity and statement of cash flows for the year ended 30 June 2024, a summary of material accounting policy information, and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements. The specific purpose for which the special purpose financial report has been prepared is set out in Note 1.

The Responsibility of Directors

The Directors of the Company are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used, as described in Note 1, is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

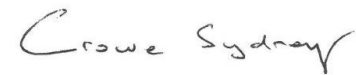
On the basis of information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework as described in Note 1, and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

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

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



Crowe Sydney



Ash Pather
Senior Partner

12 September 2024
Sydney

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Local Government Procurement Pty Ltd Directors' report 30 June 2024

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2024.

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
Robert Murjanto Lagaida
Coretta Bessi - appointed 7 July 2023

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 2023: \$nil).

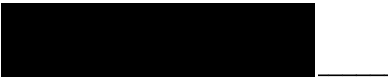
Significant changes in the state of affairs

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 2024 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

12/09/24 2024

Local Government Procurement Pty Ltd
Directors' declaration
30 June 2024

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 2024 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.


John Truman (Sep 12, 2024 08:55 GMT+10)

Director

12/09/24 2024

Local Government Procurement Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	2024 \$	2023 \$
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	<u>-</u>	<u>-</u>

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 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	2	12	12
Total current assets		<u>12</u>	<u>12</u>
Total assets		<u>12</u>	<u>12</u>
Liabilities			
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>12</u>	<u>12</u>
Equity			
Issued capital	3	12	12
Total equity		<u>12</u>	<u>12</u>

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 2024

	Issued capital \$	Total equity \$
Balance at 1 July 2022	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-
Balance at 30 June 2023	<u>12</u>	<u>12</u>
Issued capital		
	\$	Total equity
		\$
Balance at 1 July 2023	12	12
Profit after income tax expense for the year	-	-
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	-	-
Balance at 30 June 2024	<u>12</u>	<u>12</u>

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 2024

	Note	2024 \$	2023 \$
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	<u>12</u>	<u>12</u>

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 2024

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 material 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.

Note 2. Current assets - cash and cash equivalents

	2024 \$	2023 \$
Cash on hand	<u>12</u>	<u>12</u>

Note 3. Equity - issued capital

	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

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 2024 (30 June 2023: none).

Note 6. Contingent liabilities

The company was not aware of any contingent liabilities as at 30 June 2024 (30 June 2023: none).

Note 7. Compilation report

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

Federal Branch Reporting Requirement

OFFICER AND 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 (ORP) Disclosure Statement.

Organisation name	Local Government NSW	Branch name	
Financial year start date	01 July 2023	Financial year end date	30 June 2024

INSTRUCTIONS FOR COMPLETING THIS STATEMENT:

1. Answer the question about how many officers receive remuneration (remember this includes remuneration from external boards)
2. Enter information into the tables about your branch or organisation. Add extra lines if needed (e.g. if more than one officer receives the same remuneration)
3. If there are no disclosures in any of the cells below, please insert 'NIL'

Top five rankings of officers – relevant remuneration and non-cash benefits

How many officers do you have who receive remuneration?	<i>Please circle</i>	<input checked="" type="radio"/> 0	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 5+
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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:

Full Name	Office (e.g. Secretary)	Actual amount of relevant remuneration	Value of relevant non-cash benefits	Form of relevant non-cash benefits (e.g. car)
1. NIL	NIL	\$ NIL	\$ NIL	NIL
2. NIL	NIL	\$ NIL	\$ NIL	NIL
3. NIL	NIL	\$ NIL	\$ NIL	NIL
4. NIL	NIL	\$ NIL	\$ NIL	NIL
5. NIL	NIL	\$ NIL	\$ NIL	NIL

Payments to related parties and declared persons or bodies

During the financial year, the following payments were made to related parties or declared persons or bodies. The details of these payments are included below. (This list does not include payments that are exempted from disclosure under section 293G).

Date	Name	Nature of relationship (e.g. company owned by Secretary)	Purpose of payment (e.g. catering)	Amount	Other relevant details
NIL	NIL	NIL	NIL	\$ NIL	NIL

I declare that:

- the officers listed in this ORP statement are those whose relevant remuneration places them in the top five rankings of officers;
- where fewer officers are listed, this is because only those listed officers received relevant remuneration;
- 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 section.293G, where none are listed this is because there were no disclosable payments;

Signed (by the officer making the declaration):

[Redacted signature]

Dated: 2 September 2024

[This form must be signed by an officer]

PLEASE NOTE: The Officer and Related Party Disclosure Statement must be provided to all members and a copy lodged with the Fair Work Commission (the Commission) within six months of the end of the financial year. It can be lodged with the Commission by emailing to regorgs@fwc.gov.au. ALL BRANCHES are required to lodge an Officer and Related Party Disclosure Statement. It is then published on the Commission website.

Note: Local Government NSW is a registered organisation under both State and Federal legislation however the financial affairs of Local Government NSW are fully encompassed by the financial affairs of the associated State body. In that respect the Fair Work Commission has advised Local Government NSW that the above disclosure, a mandatory requirement under S293J of the Fair Work (Registered Organisations) Act 2009, should be a nil return. There is no similar disclosure requirement under the State legislation.



ONE VOICE FOR COUNCILS

Local Government NSW

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T 02 9242 4000

E LGNSW@LGNSW.ORG.AU

