



CANBERRA REGION
JOINT ORGANISATION

CRJO Annual Performance Statement 2018-19 Financial Year



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Canberra Region Joint Organisation Profile

In 2017, amendments to the *Local Government Act* were passed to enable Joint Organisations to be established. Joint Organisations are new local government entities with legal powers established by proclamation designed to bring regional and rural councils together for better regional outcomes. The Canberra Region Joint Organisation was proclaimed a corporate entity within the NSW Local Government Act on 8 May 2018.

The Canberra Region is a unique and diverse geographic region which stretches from the South-West Slopes, through the Sydney-Canberra Corridor across the Eurobodalla down to the Sapphire Coast and then up to the Snowy Mountains. The Canberra Region Joint Organisation (CRJO) consists of the following 10 member councils, three (3) associate member councils and one (1) affiliate member. The total population of the CRJO region, including the ACT, is 750,000 with a total area of 48,000km² and a gross regional product (GRP) of \$9.82 billion.

Member Councils



Associate Members



Affiliate Member



Role and Purpose

Our Role

The CRJO provides a forum for councils, State agencies and other stakeholders to work together at a regional level to identify shared priorities; delivering important regional projects and better outcomes for communities.

CRJO's core objectives include:

- Establish strategic regional priorities for the Joint Organisation area and develop strategies and plans for delivering these priorities.
- Provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities.
- Identify and take up opportunities for intergovernmental cooperation on matters relating to the Joint Organisation area.

Vision & Principles

The Canberra Region Joint Organisation is the regional body advocating for strong regional partnerships that delivers improved outcomes for our regional communities.

The CRJO Mission

"Working together to deliver better outcomes for our communities and the region."

The CRJO Vision

"Our region...dynamic, innovative, connected...compelling!"



Strategic Regional Priorities

The CRJO developed a Statement of Strategic Regional Priorities that were endorsed by the Board in February 2019.

This Statement of Strategic Regional Priorities encompassed six vital pillars including Leadership, Economic, Infrastructure, Community, Environment and Cross-Border. These six pillars demonstrated the overarching strategic goals for the region and were supported by several Priority Actions for their actualisation.

Of the 22 Priority Actions the following were delivered:

Leadership	
CRJO is a recognised leader in regional advocacy and the delivery of regional programs.	
Priority Actions	
1. Develop Regional Advocacy Plan	Draft Advocacy Plan has been prepared for consideration by the Board at the December 2019 meeting.
2. Develop a strategy to influence legislation and government policies	This would be included in the Advocacy Plan. The CRJO compiles correspondence on behalf of the Board advocating on various government policies.
3. Develop regional Workforce Strategy	In consultation with the General Managers Advisory Group and the CRJO Human Resources Working Group the Regional Workforce Strategy was put to market for a Request for Proposal in October 2019. The outcomes of this tender will be reviewed at the December 2019 CRJO Board Meeting.
4. Develop Regional Project Management Model	Regional Project Management Office – Sydney CBD. Participating Councils include Queanbeyan-Palerang, Wagga Wagga City Council, Snowy Monaro Regional Council. The CRJO currently has a proposal before government to establish a regional project management office to work with councils who have identified resource gaps to deliver key infrastructure projects.
5. Investigate opportunities for regional collaboration	The CRJO together with several other JO entities are participating in the Southern Lights projects and looking at an opportunity to develop a best practice in aggregated procurement model.
6. Develop creative and futuristic 30 year vision for shaping the region	
Economic	
Our Economy is strong and diverse with extensive business and job opportunities.	
Priority Actions	
7. Develop the Canberra Region Economic Development Strategy	Together with the NSW Government and ACT Government a regional framework has been developed with the purpose of a strategy to be designed and implemented in 2020.
8. Support the development of a regional Agrifood Export Precinct	<p>Since its inception the CRJO has fostered a strong and mutual affiliate member in Canberra Airport. Canberra Airport, along with associated organisations such as PakFresh, Singapore Airlines, QATAR and the NSW Government have worked to deliver:</p> <ul style="list-style-type: none"> • Export Capability Workshops across the Canberra region • Coordination and participation in an export ready workshop April 2019



	<ul style="list-style-type: none"> • Facilitation and coordination of the Canberra Airport Master plan Workshop which underpins opportunities for regional export via Canberra Airport. • Initial discussions regarding the development of a Future Food Systems Cooperative Research Centre in the Canberra region.
Infrastructure	
Our region is connected and serviced by infrastructure that meets contemporary. Emerging and future expectations.	
Priority Actions	
9. Develop further infrastructure prospectuses – recreation and cultural	<p>Developed the following prospectuses:</p> <ul style="list-style-type: none"> • Freight and Transport • Road and Bridges • Water & Waste Water • Tourism, Culture and Recreation (underway)
10. Facilitate funding to eliminate telecommunication black spots	<p>Infrastructure Working Group – to review the Digital Connectivity Survey undertaken by Riverina and Murray Joint Organisation and explore options of rolling out a similar survey in the CRJO. Collaboration with RAMJO to expand the survey into the CRJO area.</p> <p>Presentation and discussion with Wi-Sky, which is a broadband provider building on local networks and providing faster internet for agricultural industry and small business.</p>
11. Facilitate regional communities to embrace smart technology	<p>The development of a smart cities model along with Goulburn Mulwaree Council, Queanbeyan-Palerang Regional Council and Wagga Wagga City Council. Preparation of prospectuses cultural, recreation and tourism and an update of related strategies waste, energy, connectivity, biodiversity, biosecurity, smart city.</p>
12. Refine and update strategic CRJO infrastructure documents	<p>Infrastructure WG has carriage to update and refine the various prospectuses and registers that were prepared in 2018. The GM's have agreed to develop a regional waste strategy in line with the issues in NSW regarding recycling and resource recovery.</p>
Community	
Our community is resilient and feels informed, connected and capable and valued.	
Priority Actions	
13. Advocate for funding to assist Councils manage Crown Land and Native Title Issues	<p>The CRJO Regional Planners Working Group has carriage of this and a meeting will be held with the Commissioner of Crown Lands of NSW Government to discuss Crown Land Management and ongoing obligations of Councils. CRJO will seek to increase Native Title capacity within Councils through training and the development of templates, and will advocate to NSW Government for compensation to be met by the Government.</p>
14. Provide direct support to assist Councils manage Crown Land and Native Title issues	As above.
15. Develop Regional Social Infrastructure prospectus	<p>Community Wellbeing and IP&R working group to assist in roll out of region wide wellbeing survey.</p> <p>This aligns with the proposed social, cultural and recreation prospectus.</p>



Environment	
Our environment is valued and enhanced for future generations.	
Priority Actions	
16. Facilitate an increase in the capacity of councils to deal with biodiversity	Employment of CRJO Biodiversity Officer to provide knowledge, processes and training to councils for biodiversity offsets. Review of program with Councils to identify skill and knowledge shortfalls. Remainder of funding to be used in upskilling existing council staff to deal with Bio offsets independently. Inclusion of Biodiversity and Conservation, Department of Planning Industry and Environment in working group meetings.
17. Advocate for funding support to assist Councils with contaminated land management	Funding from Environment Protection Authority (EPA) for two contaminated land officers to assist the 10 member councils to increase capacity was awarded in December 2018. These two positions will be co-funded for the next three years.
18. Develop Regional Waste Action Plan	Developed in 2018 and underwent review by the CRJO Waste Working Group October 2019.
19. Develop Regional Energy Action Plan	To be discussed in 2020.
20. Develop Regional Climate Adaptation Plan	Funding from Department of Justice to undertake a two year pilot program working with Councils increase preparedness and streamline procedures and policies for emergencies. The Emergency Preparedness Officer will be based in the NSW Government office for one year with the second year coming in under the CRJO.
Cross-Border	
Our region operates seamlessly across all boundaries.	
Priority Actions	
21. Cross-border impacts and opportunities are considered in the delivery of all strategic regional priorities	The CRJO signed an MoU with the ACT Government in September 2018. The MoU outlines six key themes for Cross Border collaboration and regional engagement. 1. Infrastructure 2. Freight & Logistics 3. Economic Development 4. waste management & Resource Recovery 5. Sports, Culture & Wellbeing 6. Procurement & Shared Services The CRJO has also participated in discussions regarding the draft MoU between the NSW Government and ACT particularly around infrastructure.
22. Advocate for positive cross-border connectivity	The CRJO actively engages with the ACT and East Gippsland Shire Council as they strongly advocate a borderless approach to collaboration and shared ideas. There has been a significant shift in the conversation in the past few years with greater engagement and collaboration across a number of shared issues and opportunities.

In summary, the CRJO Councils, associate and affiliate members have worked in collaboration, engaging with Government (both NSW and ACT) agencies, organisations, State and Federal Ministers to bolster the JO's capability and deliver on its key strategic priorities.

The JO was awarded five grant funded positions:

- Waste and Resource Recovery Coordinator (commenced 2018)
- Biodiversity Officer (commenced 2018)
- Contaminated Land Officer – Eastern Cluster (commenced 2019)
- Contaminated Land Officer – Western Cluster (commenced 2019)
- Emergency Preparedness Officer (to commence 2020)

The funding of these positions has increased council capacity to manage environmental issues and provided greater visibility on legislative requirements and local government obligations to such things as recycling and re-use, biodiversity reform and contaminated land management.



Review of Strategic Regional Priorities

In August 2019 the General Managers Advisory Group revised the Strategic Priorities to facilitate a clearer, streamlined approach to deliver on the key projects, services and capabilities across the Canberra Region.

The strategies have been grouped into four pillars including Focus, Operations, Strategy and Capability. The below image depicts the reviewed strategies, which will be re-styled in line with the format of the original strategies.

2019/20 ACTIONS - CRJO STRATEGIC REGIONAL PRIORITIES (UPDATED)			
FOCUS	OPERATIONS	STRATEGY	CAPABILITY
		FY20	
Strategy Regional Scale LGA Chapter Sub-region	Meeting format Structure Terms of Reference/ Brief	Participate Regional Sports Snowy Futures CREDS RPMO RWFS Advocacy Plan Alerts Submissions Briefs Wellbeing and Satisfaction Surveys	Crown Lands
		FY21	
Regional Planning	Audit (financial and establishment)	Water strategy Waste strategy Prospectuses Cultural Recreation Tourism	Native Title
		FY22	
Inter-government collaboration	Business Plan (priorities)	Energy strategy Connectivity strategy Biodiversity strategy Biosecurity strategy Smart city plan	Biodiversity
		FY23	
Advocacy (influence)	Structure (inc. EO recruitment)	Election Implementation review	Disaster preparedness
Resource Share / Procurement		Regional Workforce Strategy	JO Strategy CSP/DP (LGA Chapter) Staff workplans
Charter Regional focus Full, Frank and Fearless	Financial Statement, budget Revenue policy		Joint procurement Southern Lights Smarts
	Improvement Plan	Wellbeing and Satisfaction Surveys	

General Purpose Financial Statements & Audit Reports

The 2018-19 audited General Purpose Financial Statements and Independent Auditor's Report are included on the following pages.



Canberra Region Joint Organisation

GENERAL PURPOSE FINANCIAL STATEMENTS
For the year 8 May 2018 to 30 June 2019



Canberra Region Joint Organisation

General purpose financial statements for the period from 8 May 2018 to 30 June 2019

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Canberra Region Joint Organisation is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

Canberra Region Joint Organisation

Suite 1

24 Richmond Avenue

Fairbairn ACT 2612

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: <http://www.crjo.nsw.gov.au>.

JO NSW

Statement by Members of the Board and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993 (NSW)* (as amended)

The attached general purpose financial statements have been prepared in accordance with:


- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder
- the Australian Accounting Standards – Reduced Disclosure Requirements and other pronouncements of the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly JO NSW's operating result and financial position for the period
- accord with JO NSW's accounting and other records.

We are not aware of any matter that would render this report false or misleading in any way.

Signed in accordance with a resolution of the Board of JO NSW made on 20 November 2019


Chairperson's name Rowana Abbey
Chairperson
20/11/2019


Voting Representative Board Member's name
Voting Representative Board Member
20/11/2019

Kristy McBain


Executive Officer's name
Executive Officer
20/11/19

Canberra Region Joint Organisation

Income Statement and Other Comprehensive Income for the period 8 May 2018 to 30 June 2019

		Actuals
	Notes	2019 \$
Income from continuing operations		
Member council contributions	2a	356,441.95
User charges and fees	2b	172,477.00
Interest and investment revenue	2c	6,130.88
Grants provided for operating purposes	2d	738,342.00
Grants provided for capital purposes	2d	-
Other income	2f	138,926.07
Total income from continuing operations		1,412,317.90
Expenses from continuing operations		
Employee benefits and on-costs		645,485.94
Borrowing costs		-
Depreciation	7	12,286.47
Administrative expenses	3	1,009,358.12
Total expenses from continuing operations		1,667,130.53
Net operating result for the period		(254,812.63)
Gain on transfer of assets from Queanbeyan Palerang Regional Council	2e	1,368,662.73
Net result for the period		1,113,850.10
Other comprehensive income		
Nil		-
Total other comprehensive income		-
Total comprehensive income		1,113,850.10

*The above Income Statement and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Canberra Region Joint Organisation

Statement of Financial Position as at 30 June 2019

	Notes	2019 \$
ASSETS		
Current assets		
Cash and cash equivalents	4	790,180.58
Investments	5	500,000.00
Receivables	6	54,455.47
Prepayments		-
Total current assets		<u>1,344,636.05</u>
Non-current assets		
Investments	5	-
Property, plant and equipment	7	67,236.95
Other		-
Total non-current assets		<u>67,236.95</u>
Total assets		<u>1,411,873.00</u>
LIABILITIES		
Current liabilities		
Payables	8	246,118.33
Income received in advance		-
Borrowings	8	-
Provisions	9	51,904.59
Total current liabilities		<u>298,022.92</u>
Non-current liabilities		
Provisions	9	-
Total non-current liabilities		<u>-</u>
Total liabilities		<u>298,022.92</u>
Net assets		<u>1,113,850.08</u>
EQUITY		
Accumulated surplus		1,113,850.08
Other reserves (specify)	10	-
Total equity		<u>1,113,850.10</u>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Canberra Region Joint Organisation

Statement of Changes in Equity For the period from 8 May 2018 to 30 June 2019

	2019 \$		
	Accumulated surplus	2019 \$ Other reserves	Total equity
Opening balance	-	-	-
Net operating result for the period	1,113,850.10	-	1,113,850.1
Other comprehensive income	-	-	-
Total comprehensive income			
Closing balance	1,113,850.10	-	1,113,850.10

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Canberra Region Joint Organisation

Statement of Cash Flows for the period from 8 May 2018 to 30 June 2019

	Notes	Actuals \$
Cash flows from operating activities		
<i>Receipts:</i>		
Contributions from member councils		356,024.25
User charges and fees		148,538.80
Investment revenue and interest		6,130.88
Grants		738,342.00
Other		128,391.93
<i>Payments:</i>		
Employees and suppliers		(513,087.12)
Borrowing costs		-
Other		(865,457.89)
Net cash provided from (or used) in operating activities		<u>(1,117.15)</u>
 Cash flows from investing activities		
<i>Receipts:</i>		
Sale of property, plant and equipment		-
Other		-
<i>Payments:</i>		
Purchase of investments (term deposits)		-
Purchase of property, plant and equipment		(79,523.42)
Other		-
Net cash provided from (or used in) investing activities		<u>(79,523.42)</u>
Cash flows from financing activities		
<i>Receipts:</i>		
Proceeds from investments		-
Other		-
<i>Payments:</i>		
Repayment of investments		-
Other		-
Net cash provided from (or used in) financing activities		<u>-</u>
 Net increase/(decrease) in cash and cash equivalents		<u>(80,640.57)</u>
 Cash transferred from former entities		1,368,662.73
Cash and cash equivalents at beginning of reporting period		<u>1,368,662.73</u>
 Cash and cash equivalents at end of reporting period		<u>1,288,022.16</u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Canberra Region Joint Organisation

Notes to the Financial Statements for the period from 8 May 2018 to 30 June 2019

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Note 1 Basis of preparation

CANBERRA REGION JOINT ORGANISATION was established on May 9, 2018 and the financial statements include the results of the JO from establishment until 30 June 2019 and the financial position at 30 June 2019.

The CRJO only commenced trading from July 1, 2018 hence there are no financial transactions between the proclamation date and June 30, 2018.

Future reporting periods will be from 1 July to 30 June of the relevant year.

These financial statements were authorised for issue by the Board of the Joint Organisation on 21/08/2019. The Board has the power to amend and reissue these financial statements.

AASB101(119)
AASB101(112)(a),(b) The principal accounting policies adopted in the preparation of these financial statements are set out below.

AASB1054(7)-(9) These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Local Government Act 1993* (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. CANBERRA REGION JOINT ORGANISATION is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

(a) New and amended standards adopted by JO

AASB108(28) The CRJO adopted the AASB9 Accounting Standard changes in the current year. After assessment it was determined that any impact was not material to the Financial Statements.

(b) Historical cost convention

AASB101(117)(a) These financial statements have been prepared under the historical cost convention.

(c) Significant accounting estimates and judgements

AASB101(122),(125) The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the JO's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the JO and that are believed to be reasonable under the circumstances.

Guidance notes
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Critical accounting estimates and assumptions

CANBERRA REGION JOINT ORGANISATION makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

(i) employee benefit provisions – refer Note 9.

Goods and Services Tax (GST)

Interpretation
1031(6),(7) Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Interpretation
1031(8),(9) Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Interpretation
1031(10),(11) Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Changes to Accounting Standards Both Issued and Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by CRJO).

The JO's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 16 Leases: AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by the CRJO (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of

a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

JO staff have reviewed all of Council leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will (on the whole) affect CRJO's accounting for existing operating lease agreements that are in place as at 30/6/19.

Due to the low value nature of the leases held, the CRJO's activities as a lessor are not material and hence the CRJO does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

AASB 15 Revenue from Contracts with Customers and associated amending standards: AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

JO's should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

AASB 1058 Income of NFP Entities: AASB 1058 supersedes all the income recognition requirements relating to JO's, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a JO receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council objective is principally to enable the asset to further the JO's objectives.

Upon initial recognition of the asset, this standard requires the JO to consider whether any other financial statement elements should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable the JO to acquire or construct a recognisable non-financial asset to be controlled by the JO (i.e. an in-substance acquisition of a non-financial asset), the JO recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The JO will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable the JO to acquire or construct a recognisable non-financial asset to be controlled by CRJO, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The CRJO does not anticipate that its current revenue obligations will provide for any restating in future financial statements. The CRJO will continue to assess new Revenue sources to determine the most appropriate reporting treatment.

AASB 2018-8 Amendments to Australian Accounting Standards; Right-of-Use Assets of Not-for-Profit Entities: This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-

of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, CRJO has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

CRJO has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

Apart from those standards listed above, there are no other released standards (with future effective dates) that are expected to have a material impact on CRJO.

CRJO has not elected to apply any pronouncements before their operative date in these financial statements.

Note 2 Income from continuing operations

	Actuals	
	\$	
(a) Member Council contributions		
Bega Valley Shire Council		30,633.00
East Gippsland Shire Council		9,767.00
Eurobodalla Shire Council		33,717.00
Goulburn Mulwaree Council		27,885.00
Hilltops Council		40,886.00
Queanbeyan Palerang Regional Council		46,788.00
Snowy Monaro Regional Council		21,727.00
Snowy Valley Council		14,757.00
Upper Lachlan Shire Council		13,130.70
Wagga Wagga City Council		39,045.00
Wingecarribee Shire Council		41,549.00
Yass Valley Shire Council		36,557.25
Total member council contributions		<u>356,441.95</u>
(b) User charges and fees		
Roads & Bridges Register		59,026.00
Water and Waste Water Prospectus		93,335.00
Canberra Region Economic Development Strategy		20,116.00
Other		-
Total user charges and fees		<u>172,477.00</u>
(c) Interest and investment revenue		
Interest on financial assets measured at amortised cost		6,130.88
Total interest and investment revenue (losses)		<u>6,130.88</u>
(d) Grants		
	<u>Operating</u>	<u>Capital</u>
	\$	\$
EPA - Regional Co-Ordination Package	148,510.00	-
EPA - Love Food Hate Waste	20,000.00	-
EPA - Waste Action Recycling	44,832.00	-
EPA - Community and Behavioural Change	20,000.00	-
EPA - Household Chemical Cleanup	150,000.00	-
OEH – Regional BioDiversity Officer	75,000	-
EPA - Regional Capacity Building Program	280,000.00	-
Total grants	<u>738,342.00</u>	<u>-</u>
Comprising:		
- Commonwealth funding	-	
- State funding	738,342.00	
- Other funding	-	
	<u>738,342.00</u>	

Note 2 Income from continuing operations (continued)

AASB 1004

(e) Gain on transfer of assets from former entity

On July 1, 2019, the following assets and liabilities were transferred from QPRC to the CRJO at their previous carrying amounts shown below.

	Assets and liabilities acquired \$
ASSETS	
Current assets	
Cash and cash equivalents	1,368,662.73
Investments	-
Receivables	-
Other	-
Total current assets	<u>1,368,662.73</u>
Non-current assets	
Property, plant and equipment	-
Total non-current assets	<u>-</u>
Total assets	<u>-</u>
LIABILITIES	
Current liabilities	
Payables	-
Borrowings	-
Provisions	-
Income received in advance	-
Total current liabilities	<u>-</u>
Non-current liabilities	
Provisions	-
Total non-current liabilities	<u>-</u>
Total liabilities	<u>-</u>
Net assets transferred / gain on transfer	<u>1,368,662.73</u>
(f) Other income	
Procurement rebates	99,099.38
Motor Vehicle Private Use Charge	15,697.60
Zoom License	6,774.84
Code of Conduct Panel	3,759.30
EPA Reimbursement of Conference	11,911.91
Other	1,683.04
Total other revenue	<u>138,926.07</u>

Accounting policy for income

JO recognises revenue when: the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the JO, and specific criteria have been met for each of the JO's income streams as described below. The JO bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Contributions by member councils are accounted for when the amount to be paid for the period has been determined and communicated to councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded at its fair value).

The methodology for determining the contribution is:

- equal contributions by all member councils in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation
- contributions by participating member councils for other functions of enhancing strategic capacity and direct service delivery.

User charges and fees are recognised as revenue when the service has been provided.

Interest and investment income is recognised using the effective interest rate at the date that interest is earned.

Grant revenue – Control over grants is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the

granted asset at the date of transfer.

A liability is recognised in respect of grant income that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

Gain on transfer of assets relates to the value of net assets received free of charge from [insert entity name] on establishment of the JO.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

Note 3 Expenses

	Actuals \$
Administrative expenses	
Consulting & Accounting	860,814.40
Legal expenses	4,450.00
Advertising	6,990.18
Bank Fees	395.95
Cleaning	835.99
Freight & Courier	10.50
General Expenses	46,101.25
Insurance	12,842.99
Light, Power, Heating	533.98
Motor Vehicle Expenses	16,546.14
Office Expenses	44,148.92
Printing & Stationery	1,922.09
Subscriptions	8,571.82
Telephone & Internet	5,193.91
Operating leases:	
– Buildings	-
– Computers	-
– Motor vehicles	-
– Other	-
Loss on disposal of property, plant and equipment	-
Total administrative expenses	<u>1,009,358.12</u>
Auditors' remuneration	
Auditors of the JO – NSW Auditor-General:	
(i) Audit and other assurance services	
Audit of financial statements	-
Other assurance services	-
Total fees paid or payable to the Auditor-General	<u>-</u>
(ii) Other assurance – services provided to the JO	-
Total fees paid or payable to other assurance providers	<u>-</u>

Accounting policy for expenses

Employee benefit expenses are recorded when the service has been provided by the employee.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Borrowing costs are expensed as incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of residual values, over the asset's estimated useful lives.

Impairment – Property, plant and equipment assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

Operating lease expense – Leases in which a significant portion of the risks and rewards of ownership are not transferred to JO as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

Other expenses are recorded on an accruals basis as the JO receives the goods or services.

Note 4 Cash and cash equivalents

	2019
	\$
Cash at bank and on hand	790,180.58
Deposits at call	500,000.00
Credit Facility	(2,158.42)
	<u>1,288,022.16</u>
Restricted cash and cash equivalents	
External restrictions	459,197.33
Internal restrictions	16,444.51
Unrestricted	812,380.32
	<u>1,288,022.16</u>

Accounting policy for cash and cash equivalents

AASB107(6),(8),(46)

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 5 Investments

	2019	
	Current	Non-current
	\$	\$
Debt securities at amortised cost		
Term deposits	500,000.00	-

Accounting policy for investments

Term deposits are initially recognised at fair value and then subsequently classified and measured at amortised cost. Interest income, impairment and gains or loss on derecognition are recognised in profit or loss.

Note 6 Receivables

	2019
	Current
	\$
Receivables from member councils	46,916.79
Grant receivables	-
GST	7,538.68
Total	<u>54,455.47</u>
Less: provision for impairment:	
– Other (specify if material)	-
	-
Net receivables	<u>54,455.47</u>

Accounting policy for receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

The JO applies the simplified approach for receivables in providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, user charges and fees have been grouped based on shared credit risk characteristics and the days past due.

Note 7 Property, plant and equipment

By asset class	At 1 July 2018	Movements during the period	At 30 June 2019
Office equipment	-	-	
Furniture and fittings	-	-	
Vehicles	-	67,236.95	67,236.95
Other asset class	-	-	-
Totals	-	<u>67,236.95</u>	<u>67,236.95</u>

Accounting policy for property, plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the JO and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement and Other Comprehensive Income during the financial period in which they are incurred.

When property, plant and equipment are acquired by the JO for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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

Note 8 Payables and borrowings

	2019 Current \$
Payables	
Trade payables	157,222.71
Superannuation Payable	18,397.19
PAYG Tax Payable	70,498.43
Total payables	<u>246,118.33</u>
Borrowings	
Bank overdraft	-
Total borrowings	<u>-</u>
Financing arrangements	
	2019 \$
Total facilities	
The amount of total financing facilities available to the JO at the reporting date is:	
- Bank overdraft facility	-
- Corporate credit cards	20,000.00
	<u>20,000.00</u>
Drawn facilities	
The amount of financing facilities drawn down at the reporting date is:	
- Bank overdraft facility	-
- Corporate credit cards	2,158.42
	<u>2,158.42</u>
Undrawn facilities	
The amount of undrawn financing facilities available to the JO at the reporting date is:	
- Bank overdraft facility	-
- Corporate credit cards	17,841.58
	<u>17,841.58</u>

Accounting policy for payables and borrowings

AASB 7(21)

The JO measures all financial liabilities initially at fair value less transaction costs; subsequent financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the JO comprise trade and other payables and bank overdraft.

Trade payables represent liabilities for goods and services provided to the JO prior to the end of financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 9 Provisions

	2019	
	Current	Non-current
	\$	\$
Employee benefit provisions		
Annual leave	29,397.39	
Long-service leave	22,507.20	
Other provisions		
Other	-	
Total provisions	<u>51,904.59</u>	
Current provisions not expected to be settled within the next 12 months	-	-

(a) Description of and movements in provisions

The movement in each class of provision (excluding those relating to employee benefits) is presented in the table below.

	Other provision (1) \$	Other provision (2) \$	Total \$
At beginning of period	-	-	-
Changes to provision:			
Amounts used	-	-	-
Unwinding of discount	-	-	-
Unused amounts reversed	-	-	-
Other (specify) _____	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

Accounting policy for provisions

Provisions are recognised when: the JO has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 9 Provisions (continued)

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses that will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the JO does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Note 10 Reserves

Nature and purpose of reserves

(i) Other reserves (specify)

[Describe nature and purpose of the reserve]	Nil
--	-----

Note 11 Commitments

2019
\$

(a) Capital commitments (exclusive of GST)

Nil

(c) Non-cancellable operating lease commitments

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:

– Not later than one year	-
– Later than one year and not later than five years	1,440.00
– Later than five years	-
Total	1,440.00

The operating leases in place are for Printer Equipment. All operating lease agreements are secured only against the leased asset and are for a term of two years. The leases generally have a CPI increase each year.

Note 12 Contingencies

The CRJO does not have any contingent liabilities.

Note 13 Financial risk management

Risk management

The JO's activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk.

Financial risk management is carried out by the finance team under policies approved by the JO Board.

Note 14 Related party disclosures

Key management personnel

Key management personnel (KMP) of the JO are those persons having the authority and responsibility for planning, directing and controlling the activities of the JO, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement and Other Comprehensive Income is \$200,000.

There are no other transactions with KMP or their related parties. There are no transactions with other related parties.

Note 15 Events occurring after reporting date

Risk management

In early July 2019, the CEO (D Rowe) resigned and current employee G Cusack was appointed as acting CEO. Upon resignation, a large portion of the CRJO's ELE provision was expensed.



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Canberra Regional Joint Organisation

To the Board of the Canberra Regional Joint Organisation

Opinion

I have audited the accompanying financial statements of Canberra Regional Joint Organisation (the Joint Organisation), which comprise the Income Statement and Other Comprehensive Income for the period 08 May 2018 to 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the period 08 May 2018 to 30 June 2019, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Board and Management.

In my opinion:

- the Joint Organisation's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Joint Organisation's accounting records
 - present fairly, in all material respects, the financial position of the Joint Organisation as at 30 June 2019, and of its financial performance and its cash flows for the period 08 May 2018 to 30 June 2019 in accordance with Australian Accounting Standards – Reduced Disclosure Requirements
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Joint Organisation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of joint organisations
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Joint Organisation's Annual Performance Statement for the period 08 May 2018 to 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Board is responsible for the other information

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

If, based on the work I have performed, I conclude there is a material misstatement in the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Local Government Act 1993*, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Joint Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Joint Organisation will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Joint Organisation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in cursive script that reads "D. Ryan".

Dominika Ryan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 November 2019
SYDNEY

Payment of Expenses Provision of Facilities and Allowances to Board Members

The [Payment of Expenses Provision of Facilities and Allowances to Board Members Policy](#) was ratified at the CRJO Board meeting of 15 February 2019. Costs and expenses related to CRJO Board members for the 2018-19 year are outlined below:

Provision of dedicated office equipment allocated to Board Members.	Nil. Refer clause 5.4 of policy.
Telephone calls made by Board Members.	Nil Refer clause 5.4 of policy.
Attendance of Board Members at conferences and seminars.	CRJO representation on the NSW Regional JO Network Meetings 2018-19. Total: \$1,600.00
Interstate visits, including transport, accommodation and other out-of-pocket travelling expenses.	Not applicable. No interstate travel undertaken.
Overseas visits, including transport, accommodation and other out-of-pocket travelling expenses.	Not applicable. No international travel undertaken.
Expenses of any spouse, partner or other person who accompanies Board Members in the performance of his or her civic functions.	Not applicable. CRJO does not meet the cost of Board Members' spouses, partners and accompanying persons. Refer clause 5.3 of policy.
Expenses involved in the provision of care for a child of, or an immediate family member of a Board Member.	Not applicable. Refer clause 5.7.2 in policy.
Board Member sitting fees.	Total: \$19,000.00
Board meeting expenses.	Total: \$18,000.00



Details of Contracts Awarded by CRJO

The CRJO contracted the services of The Infrastructure Collaborative to develop three infrastructure prospectuses. The CRJO covered the initial \$135,000 fee for services. A portion of this amount was a cost recovery from Councils. Additionally, the CRJO contracted Zoom video conferencing facilities (TV, trolley, hardware and software) for each council to the total cost of \$140,000.00 with a portion of cost recovery for Councils.

Other minor contracts of \$50,000 or less included;

- Rowdy Digital (rebranding of CRJO)
- Kategic financial management services
- Canberra Region Economic Development Strategy
- Regional Project Management Office Business case
- Strategic planning workshop
- Regional Waste Action Plan

Legal Costs

The CRJO incurred no legal costs in relation to legal proceedings taken either by or against the CRJO.

Delegated Functions

The CRJO did not engage any external body to exercise functions delegated by the CRJO.

Interest

The CRJO does not control or hold interest in any corporations, partnerships, trusts, joint ventures, syndicates or other bodies and did not participate with any of the abovementioned entities (whether or not incorporated) during the year.

Equal Employment Opportunity (EEO)

In 2018-19 the CRJO employed four full-time staff. It is expected that the workforce will increase as the CRJO secures additional grant funding. An EEO policy is currently in development.

Remuneration Package of Executive Officer

The total remuneration package for the CRJO Chief Executive Officer in 2018-19 was \$200,000 including salary, superannuation. No bonus, performance or other payments that do not form part of the salary component were included.

The CRJO had no other senior staff members during this period.

Capital Works Projects

The CRJO did not undertake any capital works projects.



Government Information Public Access (GIPA)

The CRJO received no requests for public access to government information.

Information included on public disclosure activity

The CRJO has a Public Disclosure Policy and register, however did not receive any public requests for access.

