

Annual Report 2018/2019



Barwon South West
Waste & Resource
Recovery Group



Published by the Victorian Government

Barwon South West Waste and Resource Recovery Group, August 2019

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Contents

Report of Operations.....	5
Responsible Body Declaration.....	5
Section 1: Year in Review	6
Chair's Report	6
Vision, missions and values.....	7
Manner of establishment and the relevant Minister.....	7
Nature and range of services provided	8
Performance Reporting – (non-financial).....	12
Achievements.....	12
Key initiatives and projects	23
Performance Reporting – Financial	24
Financial summary	24
Current year financial review	25
Significant changes in financial position.....	26
Significant changes or factors affecting performance.....	26
Disclosure of grants and transfer payments.....	26
Subsequent events.....	27
Section 2: Governance and Organisational Structure	28
Organisational structure	28
Governing board.....	29
Audit and Risk Committee - membership and roles	32
Local Government Waste Forum	33
Barwon South West Waste and Resource Recovery Group staff structure	37
Section 3: Workforce data	38
Public Sector Values and Employment Principles.....	38
Occupational Health and Safety	38
Workforce Data	38
Executive officer disclosure	40
Section 4: Other disclosures.....	41
Local Jobs First Act 2003	41
Government advertising expenditure	41
Consultancy expenditure	41
Information and Communication Technology (ICT) expenditure	43
Disclosure of Major Contracts.....	43
Freedom of Information	43

Compliance with <i>Building Act</i> 1993.....	44
Competitive Neutrality Policy	44
Compliance with the <i>Protected Disclosures Act</i> 2012	45
Compliance with the <i>Disability Act</i> 2006	45
Compliance with the Environment Protection Act 1970.....	46
Office-based Environmental Impacts	46
Compliance with DataVic Access Policy	47
Statement of availability of other information	47
Financial management compliance attestation.....	49
Declaration in Financial Statements.....	50
Independent Auditor's Report.....	51
Financial Statements.....	53
Attestation for Compliance with Ministerial Standing Direction 3.7.1.....	79
Disclosure Index.....	80

Report of Operations

Responsible Body Declaration

In accordance with the *Financial Management Act* 1994, I am pleased to present Barwon South West Waste and Resource Recovery Group's Annual Report for the year ending 30 June 2019.

A handwritten signature in black ink, appearing to read 'J Parker', with a large, stylized initial 'J'.

Jill Parker OAM

Chairperson

Barwon South West Waste and Resource Recovery Group

22 August 2019

Section 1: Year in Review

Chair's Report

It is with pleasure that I present the fifth Barwon South West Waste and Resource Recovery Group (Barwon South West WRRG) Annual Report.

Barwon South West WRRG has and will continue to work extensively to promote recognition of waste management as an 'essential community service to our region'. We have positively tackled regional issues that affect our residents ensuring the importance of collaboration between governments and their communities occur along with business and industry. Reflecting on the progress we are making; the region's kerbside diversion rate was 53% compared to the state average of 43%. This was driven by the collaborative, strategic approach to waste management the Barwon South West WRRG provides to the region.



The Barwon South West WRRG has established programs to tackle the challenges and further improve the services available which includes the development of the Regional Education Strategy to support waste education leadership. The Waste and Resource Recovery Audit and Data Collection Program ensure that this region has the only full current waste data set across Victoria. The array of workshops and forums presented by the Barwon South West WRRG have been well attended and received. The success of our programs is due to the collaboration and partnership with our nine councils, portfolio agencies, industry and many community and environmental groups.

The Barwon South West WRRG Board were pleased to welcome Cr. Bruce Harwood, Ms. Mary Bignell and Ms. Nicole Sexton to the Board along with pleasantly welcoming back Mr. Lindsay Merritt who re-nominated. The Board have worked well together demonstrating good governance and leadership, along with maintaining an effective relationship with management contributing to the successful operation of the organisation.

Barwon South West WRRG are proud of the achievements to date, aims to stimulate local recycling markets to ensure we have the capacity to responsibly manage waste domestically, creating opportunities for new jobs, and positive outcomes for the environment.

In conclusion, the Board along with Management, are pleased with how the Barwon South West WRRG has advanced our level of influence, facilitating a range of proactive programs and initiatives to drive behavioural change, and delivering great value and benefits across the Barwon South West region. We are determined to meet the opportunities and challenges ahead.

A handwritten signature in dark ink, reading 'J Parker'. The signature is fluid and cursive, with a large, stylized 'J' and 'P'.

Jill Parker OAM

Chairperson

Barwon South West Waste and Resource Recovery Group

Vision, missions and values

Our Vision

The Barwon South West Waste and Resource Recovery Group will lead and innovate in waste minimisation and resource recovery.

Our Shared Values

- Leadership — Be leaders through engagement and innovation.
- Integrity — Act with trustworthiness, fairness and consistency.
- Professionalism — Provide a rewarding work environment with opportunities to enrich staff.
- Make a difference — Collaborate to achieve quality and sustainable outcomes and educate for positive behaviour change.
- Openness — Work together and share knowledge in a spirit of honesty.
- Respect — Value, learn from and respect the views of one another.

Manner of establishment and the relevant Minister

The Barwon South West Waste and Resource Recovery Group is established under the Environment Protection Act 1970. The responsible Minister for the period from 1 July 2018 to 30 June 2019 was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

Nature and range of services provided

The Barwon South West Waste and Resource Recovery Group works with State and local government, businesses and the community across the region to find ways to reduce, recycle and dispose of waste. The Barwon South West Waste and Resource Recovery Group facilitates an integrated approach to regional waste planning and supports the delivery of waste management and resource recovery services. The 2017-2026 Barwon South West Waste and Resource Recovery Implementation Plan provides a 10-year vision for the region's waste and recycling needs to ensure there are enough facilities and processors able to handle the region's growing waste needs.

Key activities:

- Provide advice on recycling and waste issues for the region
- Educate people how to reduce, reuse and recycle their waste
- Work with local government to help them provide improved recycling and waste services for their community
- Support local government collaborative procurement projects in the waste and resource recovery sector
- Investigate new ways to turn waste from a problem material into a resource
- Connect the makers of waste with processors to help them find new ways to reduce and recycle
- Assist community groups to get funding for waste reduction and recycling activities
- Encourage innovation, investment and market growth in the circular economy
- Facilitate behavioural change to reduce waste generation
- Facilitate regional and cross-sectoral linkages to improve markets for materials that could be diverted from landfill



Image of Barwon South West WRRG taking part in the Clean-up Australia Day at Eastern Beach in partnership with Caring for Our Bays.

Objectives, functions, powers and duties

In accordance with Section 49G of the *EP Act*, the objectives of the Barwon South West Waste and Resource Recovery Group are:

- to undertake waste and resource recovery infrastructure planning to meet the future needs of its waste and resource recovery region while minimising the environmental and public health impacts of waste and resource recovery infrastructure;
- to facilitate efficient procurement of waste and resource recovery infrastructure and services for its waste and resource recovery region through the collective procurement of waste management facilities and waste and resource recovery services in the region;
- to integrate regional and local knowledge into state-wide waste and resource recovery market development strategies;
- to educate businesses and communities within its waste and resource recovery region to reduce waste going to landfill by using waste and resource recovery infrastructure and services efficiently; and
- to ensure Regional Waste and Resource Recovery Implementation Plans and programs are informed by local government, business and community and inform state-wide waste and resource recovery planning and programs.

In seeking to achieve its objectives, the Waste and Resource Recovery Group must collaborate with councils, Sustainability Victoria, the Environment Protection Authority, industry, business and the community.

In accordance with section 49H of the *EP Act*, the functions of the Barwon South West Waste and Resource Recovery Group are:

- to plan for the future needs of waste and resource recovery infrastructure within the Barwon South West waste and resource recovery region consistently with the state-wide Waste and Resource Recovery Infrastructure Plan;
- to facilitate the provision of waste and resource recovery infrastructure and services by councils within its waste and resource recovery region;
- to facilitate the development of contracts for the joint procurement of waste management facilities and waste and resource recovery services within its waste and resource recovery region;
- to manage contracts in the performance of its objectives and functions;
- to work with Sustainability Victoria, councils, businesses and communities to ensure state-wide waste and resource recovery education programs are adapted to the needs of its waste and resource recovery region and to facilitate the delivery of those education programs;
- to advise, with Sustainability Victoria, councils and businesses within its waste and resource recovery region on best practices for waste and resource recovery systems, facilities and services;

- to support its waste and resource recovery region's Local Government Waste Forum to enable the Waste Forum to perform its functions; and
- to undertake waste and resource recovery projects as funded by government, councils and other organisations.

Statement of Expectations

The Barwon South West Waste and Resource Recovery Group follows a Statement of Expectations from the Minister for Energy, Environment and Climate Change to guide the governance standards and priorities expected to apply in the performance their roles and obligations.

The Barwon South West Waste and Resource Recovery Group has identified and agreed on the following regional strategic objectives:

1. Achieve behaviour change that reduces waste generation and increases resource recovery.
2. Encourage innovative and cost-effective ways to increase resource recovery.
3. Identify and establish industry relationships to build market opportunities to maximise resource recovery.
4. Facilitate the aggregation of services through joint procurement to maximise resource recovery and cost effectiveness.
5. Plan for future waste and resource recovery infrastructure and service needs for the region.

Barwon South West Region of Victoria

The Barwon South West region covers over 29,000 square kilometres and encompasses the south west of Victoria including the natural and built environment from the South Australian border through to Geelong and Queenscliffe, and along the south coast through to the Southern Grampians.

Municipal communities serviced by the Barwon South West Waste and Resource Recovery Group include:

Borough of Queenscliffe
Colac Otway Shire Council
Glenelg Shire Council
Southern Grampians Shire Council
Warrnambool City Council

City of Greater Geelong
Corangamite Shire Council
Moyne Shire Council
Surf Coast Shire Council



Performance Reporting – (non-financial)

Achievements

The Barwon South West Waste and Resource Recovery Group has been involved in several key achievements to support local government, industry and the community to improve and guide resource recovery and waste management practises within the region. The achievements were delivered through several projects and activities which align to Barwon South West Waste and Resource Recovery Group Implementation Plan strategic objectives. These include:

- Continuing to deliver on the Barwon South West Waste and Resource Recovery Implementation Plan 2017 – 2026.
- Facilitation of the Barwon South West Local Government Forum with four events providing professional development opportunities, keynote presentations, site visits, workshops and networking
- Facilitation of the Barwon South West Advisory Reference Group (ARG) with six events
- Planned various events including:
 - Barwon South West Organics Series: Food Industry Recycling Workshop (Geelong)
 - Barwon South West Organics Series: Timber and Straw Organics Workshop (Hamilton)
 - Waste to Energy Education Session and Working Group (Colac)
- Supported and sponsored various events including:
 - Caring for Our Bays Conference 2019 (Geelong)
 - Planning for Waste and Resource Recovery Facilities and Closed Landfills Workshop (Camperdown)
- Facilitation, project management implementation of the Local Government Program and key projects including:
 - Commenced projects
 - Regional Recycling Action Plan
 - Recycling Education Campaign
 - Organics End Market Investigation
 - Progressing projects
 - Closed Landfill Risk Assessment
 - Collaborative Resourcing & Priority Materials Plan
 - Completed projects
 - Regional Education Plan
 - Waste and Resource Recovery Audit and Data Collection Program
- Supported councils with:
 - responses to the challenges with recycling in Victoria due to the temporary closure of a major recycling plant;
 - providing key communication messages;
 - opportunities for infrastructure funding;
 - development of Waste Minimisation Strategies; and
 - planning for the e-waste ban.
- Enhancement of digital communications with the development of a new website and significant increase in social media presence.
- Assisted business and councils in the region in obtaining grants to further develop, expand and improve competition, productivity and stability in the recycling sector.

- The region's kerbside diversion rate was 53% compared to the state average of 43%.
- Launching of the Rethink Your Footprint tool for business and industry.

The Barwon South West Waste and Resource Recovery Group is committed to playing a significant role to drive a resilient recycling sector as depicted in the Recycling Industry Strategic Plan (RISP). Several projects managed by the Group directly relate to the RISP including, however not limited to; the Regional Recycling Action Plan, Recycling Education Campaign and the Collaborative Resourcing & Priority Materials Plan. Barwon South West Waste and Resource Recovery Group will continue to work towards and deliver on the vision of the RISP - to achieve a resilient recycling sector in Victoria.

It is anticipated that these projects and initiatives will progress promptly and be completed as early as practicable in 2019/2020 with the appropriate resourcing employed.

Operational performance

Operational performance actions outlined in the Barwon South West Waste and Resource Recovery Group Business Plan 2018/2019 – 2020/2021. There were no significant variances in operational performance as outlined in the Business Plan.

Key to result:

✓ = performance target achieved or exceeded or expected to be achieved

○ = performance target not achieved — within 5% variance.

■ = performance target not achieved — exceeds 5% variance.

OBJECTIVE 1 - Achieve behaviour change that reduces waste generation and increases resource recovery

Priority Action 1: Facilitate behaviour change to reduce waste generation, improve source separation and recovery rates.

Actions	Outcomes	Status	Result
Implement programs and activities as specified in the Regional Education Plan	Education Plan final copy presented and adopted by ARG and Forum in November	Complete	✓
Ensure education and engagement is delivered in conjunction with councils, schools, community, industry and the state government	Action Plan developed and implementation occurred via education in conjunction with councils, schools, community, industry and the state government.	Complete	✓
Support education and engagement for all matters arising, including but not exclusive to: E-waste Commingled Recycling Plastics Food Organics / Garden Organics (FOGO)	Extensive education underway with e-waste, recycling and supporting respective organics projects	Complete	✓
Work with business and industry to investigate a business waste self-assessment and support sustainable and improved waste management practices for business and industry	Business waste self-assessment established Engagement with business to continue	Ongoing	✓

OBJECTIVE 2 - Encourage innovative and cost-effective ways to increase resource recovery

- Priority Action 2: Support the development of innovative and viable opportunities to increase recovery of priority and emerging materials.*
- Priority Action 3: Facilitate viable systems to increase recovery rates, including those from mixed loads of waste and bin collection arrangements.*
- Priority Action 4: Facilitate viable solutions to increase the recovery of materials currently going to landfill including those sourced from municipal, agricultural industries and commercial businesses.*

Actions	Outcomes	Status	Result
Facilitate discussions with the waste and resource recovery industry to investigate opportunities for resource recovery improvement.	<p>Opportunities for resource recovery improvements identified in partnership with the waste and resource recovery industry.</p> <p>Waste to Energy stakeholder forum December 2018</p> <p>Continual engagement to determine opportunities and provided funding support where applicable</p>	Ongoing	✓
Demonstrate leadership, adaptability and flexibility to manage changing policy, markets and resource recovery initiatives.	<p>Extensive support and work to councils and community in the wake of SKM recycling issues.</p> <p>Work requirements based upon each government policy release</p>	Complete	✓
Support targeted research and data collection, including waste audit data to identify quantities of recoverable materials.	<p>Data collected and audited.</p> <p>Learnings applied to relevant education, operation improvements and projects.</p> <p>Industry Audit completed</p> <p>Kerbside Audit completed</p> <p>Data working group continuing</p>	Ongoing	✓
Monitor priority materials disposal and recovery rates to show decline and increase respectively.	<p>Extensive array of presence and contributions to forums, workshops, meetings and communications on a range of topics including, but not exclusive to: E-waste; Organics end market; Combustible recyclable and waste materials; Education; Priority materials.</p>	Ongoing	○

Investigate and identify a regional response for materials (organics, timber, plastic, textiles, tyres) recovery through development of an opportunities paper and regional workshop.	<p>Liaison with organics, timber and industry stakeholders.</p> <p>Materials (organics, timber, plastic, textiles, tyres) opportunities documented (one to two per year cascading in priority).</p> <p>Food industry /organics forum/workshop 26 October 2018 and timber organics on 4 April 2019.</p> <p>Relevant papers on these topics developed.</p>	Complete	✓
Provide communications linkages and messaging to Local Government Waste Forum (LG Waste Forum), Advisory Reference Group, councils, industry and community including participation in workshops, discussion groups or consultative processes established by State Government.	<p>State Government requirements clearly articulated to stakeholders.</p> <p>Regular comms and workshops.</p> <p>LG Waste Forums hosted.</p> <p>ARG meetings regularly occurred.</p>	Ongoing	✓
Develop a regional practical response to the proposed state-wide e-waste policy position	<p>Regional e-waste response produced including baseline and targets.</p> <p>Regional E-waste Review and Action Plan developed.</p> <p>Supported e-waste implementation grants (sheds). Commenced e-waste communications.</p>	Ongoing	✓
Monitor e-waste disposal and recovery rates.	<p>Increase recovery of e-waste as per targets.</p> <p>E-waste monitoring occurring – no change in lead up to ban.</p>	Complete	✓
Support phasing in and interim arrangements at collection points.	<p>Phasing and interim arrangements supported.</p> <p>E-waste infrastructure grants supported</p> <p>Infrastructure under development</p>	Ongoing	✓
Support engagement activities with delivery partners.	Engagement activities undertaken.	Complete	✓

E-waste comms released for phase 1 and phase 2. Regional grants received.

Communications gearing up from May 2019 onwards

OBJECTIVE 3 - Identify and establish industry relationships to build market opportunities to maximise resource recovery

Priority Action 5: Facilitate regional and cross-sectoral linkages to improve markets for materials that could be diverted from landfill and used by another industry as a resource

Actions	Outcomes	Status	Result
Continue the implementation of the ASPIRE program to industry and have at least 50 participants in ASPIRE.	ASPIRE participation stable	Complete	✓
Improved industry health against established benchmarks.	Project control group established	Complete	✓
Funding opportunities communicated to industry	Supporting funding through Round 3 and 4 RRIF and R&D grants Worked with industry however ASPIRE value not fully recognised and support withdrawn late 2019	Complete	✓
Facilitate consultative working groups for relevant waste and resource recovery initiatives; such as waste to energy	Working group planning commenced; Collaborative working group established; Waste to energy workshop occurred	Complete	✓
Document and share industry better practice	Industry linked to the development of new initiatives and potential programs Liaison with GMC, ports, industry, etc. Future Proofing Geelong and Cleantech Innovation Geelong	Complete	✓

OBJECTIVE 4 – Facilitate the aggregation of services through joint procurement to maximise resource recovery and cost effectiveness

Priority Action 6: Facilitate collaborative procurements to improve economies of scale and cost efficiencies.

Priority Action 7: Facilitate the aggregation of material streams to improve economies of scale and cost efficiencies.

Actions	Outcomes	Status	Result
Implement priority actions identified for regional collaborative resourcing including collection services, funding opportunities, procurement challenges, ACCC matters,	Collaborative procurement working group established and opportunities identified. Procurement training established.	Complete	✓
Consider collaborations to respond to resource recovery and recycling change to improve contracts, service and operations	At least three collaborative resourcing opportunities implemented Transport and logistics opportunities paper E-waste procurement and other collaborative projects commenced	Complete	✓
Investigate and facilitate collaborative procurements to improve economies of scale, cost efficiencies and maximise waste and resource recovery outcomes (where viable)	Support provided to stakeholders on collaborative procurement opportunities Collaborative procurement working group established	Ongoing	✓
Access the Shared Service operations in the development and implementation of strategic procurement relating to preliminary strategic analysis, market knowledge, expertise in gaining lower gate fee rates, contracts management, consultant panel, memorandum of understanding (MoUs), probity plan, etc.	Shared Services operations assessed, and improvements presented. Service Level Agreement updated Working on LBSP, strategic comms, HR, etc.	Ongoing	✓

OBJECTIVE 5 - Plan for future waste and resource recovery infrastructure and service needs for the region

- Priority Action 8: Assess the future strategic role of landfill and resource recovery needs within the Barwon South West region.*
- Priority Action 9: Work with planning authorities to recognize and protect existing facilities and hubs from encroachment and ensure that waste and resource recovery infrastructure planning is appropriately integrated with land use and transport planning.*
- Priority Action 10: Work with councils and other relevant authorities to reduce risk and to ensure contingency plans are in place for managing waste.*
- Priority Action 11: Work collaboratively with all stakeholders to ensure state-wide policy, planning and funding programs support the region's infrastructure needs.*
- Priority Action 12: Work with all stakeholders to establish an integrated and effective data network.*

Actions	Outcomes	Status	Result
Work with councils and industry to promote the benefit of providing and sharing data.	Majority of facilities / organisations participate in data sharing Protocol.	Ongoing	✓
Use high quality data to aid evidence-based, justifiable decision-making.	Data used in all relevant decision- making.	Ongoing	✓
Ensure data integration and sharing occurs at its maximum potential.	Case study development Data Working Group involvement		
Contribute to and develop a Regional Waste and Resource Recovery Contingency Plan to inform local Emergency Management Plans	Contingency plan work commenced and work progressing with continuous learnings	Ongoing	○
Undertake a buffer assessment of key waste and resource recovery sites of state regional importance / significance in the region	Buffer planning project commenced, and assessments completed	Complete	✓
Identify and document key risks, issues and opportunities related to buffer zones for waste and resource recovery	Buffer project identifies key risks, issues and opportunities	Complete	✓
Document a process for Waste and Resource Recovery Group's to play a role in supporting decisions related to buffers for new and	Process for buffer implementation documented	Complete	✓

expanded waste and resource recovery infrastructure				
Continue buffer assessments and seek learnings from state-wide buffer assessments	Buffer learnings documented	Complete	✓	
Work with relevant councils and proponents to facilitate planning approvals, where required, to implement new or expanded infrastructure	Buffer assessments completed	Complete	✓	
Support incorporation of relevant waste and resource recovery buffers and planning in Council Municipal Strategic Statements (MSSs)	Support provided to councils undertaking strategic work	Complete	✓	
Provide support to owners and operators of Resource Recovery Centres (RRC) and Transfer Stations (TS) to meet better practice operations, improve infrastructure and maximise resource recovery	RRC assessments complete and action plan to be determined. Actions are the responsibility of the site manager and relevant advice provided.	Complete	✓	

OBJECTIVE 6 - Maintain and improve the effective functioning of the organisation

Actions	Outcomes	Status	Result
Act as a conduit for information from government agencies, industry representatives and leaders and ensure information and access to events, seminars, forums, etc. that are relevant to councils, industry representatives, businesses and the community.	Regular information provided to stakeholders	Ongoing	✓
Liaise with Department of Environment, Land, Water and Planning (DELWP), Sustainability Victoria (SV) and the Environment Protection Agency (EPA) to ensure timely and up-to-date information is received in relation to programs, grants and funding opportunities	Regular information shared		
Provide newsletters and website updates to inform councils and	State policy outcomes promoted		
	Achievements celebrated		
	Grants and funding opportunities promoted		
	Website Development underway		

stakeholders of actions of the Barwon South West WRRG			
Minimum four Regional Forums and ARGs per annum	July, November, March and May Forums hosted. Regular ARGs hosted	Complete	✓
Produce a compliant annual report	Annual report produced	Complete	✓
Administer a bi-annual Board Performance Review	Board Performance Review administered	Complete	✓
Implement a branding profile and associated communications for the Barwon South West WRRG which builds the corporate brand	BSWWRRG branding finalised. BSWWRRG collateral developed Rethink Your Footprint branding developed	Complete	✓
Develop effective knowledge sharing arrangements within the organisation	Array of tools developed to assist staff in multiple work-related disciplines	Complete	✓
Formalise organisational policy framework and develop a full suite of policy documentation. Utilise DELWP Model Policies when available.	Updated policy framework and continuous policy plan with improvement supported by the Audit and Risk Committee continuing	Ongoing	✓
Complete annual Local Government Program review	Previous year review completed. Future year activities planned and adopted by the LG Forum.	Complete	✓
Undertake Local Government Program project management	Occurred across all LG Program projects	Ongoing	✓

**Barwon South West Waste and Resource Recovery Group Statement of Expectations
issued by Minister D'Ambrosio – 19 March 2017**

	Result
Accurately and comprehensively assessing the waste and resource recovery needs of the region in order to plan for future waste and resource recovery infrastructure, in line with Victoria's Waste and Resource Recovery Planning Framework and continue to progress its Barwon South West Waste and Resource Recovery Implementation Plan. Infrastructure planning should support the achievement of the goals outlined in the State-wide Waste and Resource Recovery Implementation Plan and should be undertaken in collaboration with Sustainability Victoria and other regional Waste and Resource Recovery Groups, as appropriate.	✓
Facilitating the implementation of the Barwon South West Waste and Resource Recovery Implementation Plan through collective procurement between local councils and industry as the need arises.	✓
Support implementation of local government funded programs that align with the priority actions of the Barwon South West Waste and Resource Recovery Implementation Plan. Where local government programs are not aligned with the priority actions of the Barwon South West Waste and Resource Recovery Implementation Plan, the Barwon South West Waste and Resource Recovery Group should ensure that local government funding enables delivery of the whole program (including staff).	✓
Work with Sustainability Victoria to provide regionally specific input into the design of programs delivered under the Victorian Waste Education Strategy and the Victorian Organics Resource Recovery Strategy, and regional delivery of those programs. Any programs that are regionally delivered by the Group under these strategies should support priority actions under the Barwon South West Waste and Resource Recovery Implementation Plan.	✓
Produce timely and accurate annual financial reports and business plans that reflect the priorities of the Barwon South West Waste and Resource Recovery Group as set out in this statement, maximising efficiencies within current financial allocations. The financial reports and business plans should be prepared ensuring effective processes are in place to monitor and report in a timely and accurate manner on the entities' financial and operational performance in line with its functions.	✓

Key initiatives and projects

The Barwon South West Waste and Resource Recovery Group experienced variation with two Managers joining the organisation mid-2018. This enabled the Barwon South West WRRG the ability to embark on further activities and initiatives with greater resources, skills and expertise. In a snapshot, some of the key initiatives and projects commenced and progressed in 2018/19 which Barwon South West Waste and Resource Recovery Group was involved in include:

- Organised and presented at external events across the region on topics including organics, e-waste, waste to energy and recycling.
- Assisted businesses and councils in the region to obtain grants in excess of \$40,000.
- Project managed in excess of \$200,000 of local government program projects and redesigned the program to ensure it has a sustainable future
- Secured funding of \$15,000 from Cleantech Innovations Geelong to part fund a study into food waste.
- Developed a strategy to guide the region's waste education activities over the next 5 years.
- Developed an End Markets Organic strategy for the region to assist councils in (i) making decisions about organics disposal in their own circumstances and (ii) planning long term sustainable infrastructure investments and attracting investors to the region.
- Commenced using Social Media channels Facebook, Twitter and LinkedIn in July 2018. The table below gives a summary of activity from commencement to 30 June 2019.

Channel	Followers	Highest reach of one message	Total impressions in the year
Facebook	433	8,675	161,197
Twitter	64	1,106	42,500
LinkedIn	87	303	3,422

reduce. recycle.

Performance Reporting – Financial

Financial summary

A summary of the financial position of the Barwon South West Waste and Resource Recovery Group is presented as a five-year audited financial summary in the table below.

Five-year audited Annual Finance Summary

	2018/19	2017/18	2016/17	2015/16	2014/15*
Core Business Revenue					
Government contributions	807,211	1,014,230	996,688	1,220,461	836,736
Other revenue	183,440	193,525	67,826	48,293	7,091
TOTAL REVENUE	990,651	1,207,755	1,064,514	1,268,754	843,827
Administration					
Corporate Expenditure	660,727	561,888	585,304	603,839	482,343
Project Expenditure	475,264	333,513	299,670	254,140	145,462
TOTAL EXPENDITURE	1,135,991	895,401	884,974	857,979	627,805
Net Operating Result	(145,340)	312,354	179,540	410,775	216,022
Net Cash Flow from Operations		338,553	274,015	231,561	288,096
Current Assets	1,590,640	1,621,670	1,312,841	1,046,162	626,991
Non-Current Assets	111,970	72,669	35,554	43,820	6,456
TOTAL ASSETS	1,702,610	1,694,339	1,348,395	1,089,982	633,447
Current Liabilities	359,929	248,544	222,457	134,654	120,121
Non-Current Liabilities	107,083	68,787	61,303	70,233	39,006
TOTAL LIABILITIES	467,012	317,331	283,760	204,887	159,127
Net Assets	1,235,598	1,377,008	1,064,635	885,095	474,320

* Financial year 2014/15 only includes 11 months

Comprehensive operating statement for the financial year ended 30 June					
	Actual	Budget	Variance \$	Variance %	Commentary
Income from transactions					
Landfill levy revenue	\$807,211	\$807,212	(\$1)	0.0%	Variance due to deferred activities; surplus has been re-allocated to FY19/20 Higher interest income reflects the deferred expenditures resulting in higher cash balances.
Local Government Program	\$147,068	\$180,000	(\$32,932)	-18.3%	
DELWP Project Funding	\$0	\$0	\$0	0.0%	
Interest	\$28,872	\$7,000	\$21,872	312.5%	
Other income	\$7,500	\$0	\$7,500	0.0%	
Total income from transactions	\$990,651	\$994,212	-\$3,561	-0.4%	
Expenses from transactions					
Employee expenses	\$711,825	\$756,644	(\$44,819)	-5.9%	The Group employed one less staff than budgeted. More motor vehicles were acquired than budgeted. Half of the variance is related to deferred LG Program expenditures; there were additional flow-on variances in related consulting activities
Depreciation	\$35,223	\$24,487	\$10,736	43.8%	
Audit fees	\$28,150	\$31,753	(\$3,603)	-11.3%	
Other operating expenses	\$360,793	\$437,805	(\$77,012)	-17.6%	
Total expenses from transactions	\$1,135,991	\$1,250,689	(\$114,698)	-9.2%	
Net result from transactions (net operating balance)	(\$145,340)	(\$256,477)	\$111,137	-43.3%	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	\$3,930	\$0	\$3,930	100.0%	The net gain reflects the disposal of one vehicle .
Net gain/(loss) on financial instruments	\$0	\$0	\$0	0.0%	
Other gains/(losses) from other economic flows	\$0	\$0	\$0	0.0%	
Total other economic flows included in net result	\$3,930	\$0	\$3,930	100.0%	
Net result	(\$141,410)	(\$256,477)	\$115,067	-44.9%	
Comprehensive result	(\$141,410)	(\$256,477)	\$115,067	-44.9%	

Current year financial review

The Barwon South West Waste and Resource Recovery Group's operations resulted in a net loss of \$141,410 for FY2018/19, which is \$115,067 under budget. The significant variance is related to salaries and wages as one budgeted role remained unfilled for the entire financial year and other staff salaries were partially absorbed by the Local Government Program. Additionally, the Barwon South West WRRG had budgeted for payroll tax expense but did not meet the threshold which would trigger these taxes to be incurred. The favourable Barwon South West WRRG operating variance is reflected in cash and equity balances, and net cash flow from operations that have exceeded the business plan by similar amounts.

The Local Government Program operated at a surplus of \$142,322 in FY2018/19. All of this variance has been re-allocated to the FY2019/20.

The current year's deficit was planned by the Group as previous years have operated at a surplus due to deferred projects. This is reflected in the excess cash balance which is invested in term deposits until the funds are needed. Consequently, the Group plans on operating at a deficit for the next few financial years. BSWWRRG is working closely with DELWP to ensure that the Group is sufficiently resourced to deliver against priority areas and meet our legislative requirements.

Significant changes in financial position

Cash balances have increased during FY2018/19 in direct proportion to the budget surplus. Fixed assets have increased by approximately \$40,000 as two additional motor vehicles were acquired for the use by staff recruited at the end of the previous financial year. Finance lease liabilities increased accordingly. Unearned revenue increased by approximately \$81,000 from the prior year as the Barwon South West WRRG received Grant funds at the end of the financial year, which were yet to be spent pursuant to the terms of the funding agreements.

Significant changes or factors affecting performance

Nil

Disclosure of grants and transfer payments

As noted above, the Barwon South West WRRG was successful in being awarded two new Grants in FY2018/19. The first was a \$30,000 grant awarded by Sustainability Victoria to develop a Regional Litter Plan to identify key actions to address local litter issues, including initiatives related to education, awareness, enforcement programs and improved litter infrastructure defined using Sustainability Victoria (SV)'s multicriteria analysis tool (Litter Scorecard).

The second grant (E-Waste Campaign Implementation Support Grant) was also awarded by SV for \$90,000 towards the purpose of implementing campaign activities including the distribution of E-Waste Campaign Materials at community hubs and online; face-to-face engagement with the community at various events around the region including development of an interactive display; development of an education package targeted to school aged children to be delivered through the ResourceSmart Schools program; develop and distribute an e-waste campaign kit to relevant retailers in the region; and installing e-waste collection boxes in public areas. Activity related to both of the aforementioned grants will be completed during FY2019/20.

One additional grant in the amount \$15,000 was awarded by Geelong Manufacturing Council (Cleantech Innovations Geelong) for the completion of the G21 Commercial and Industrial Food Organics Study. The Barwon South West WRRG had completed 50% of the work in FY2018/19 and recognised the corresponding revenue of \$7,500 in the financial year. The balance of the work has been completed in July 2019.

Subsequent events

There were no events occurring after 30 June 2019 date which may significantly affect the Barwon South West Waste and Resource Recovery Group's operations in subsequent reporting periods.

Capital Projects

Barwon South West Waste and Resource Recovery Group does not manage capital projects.

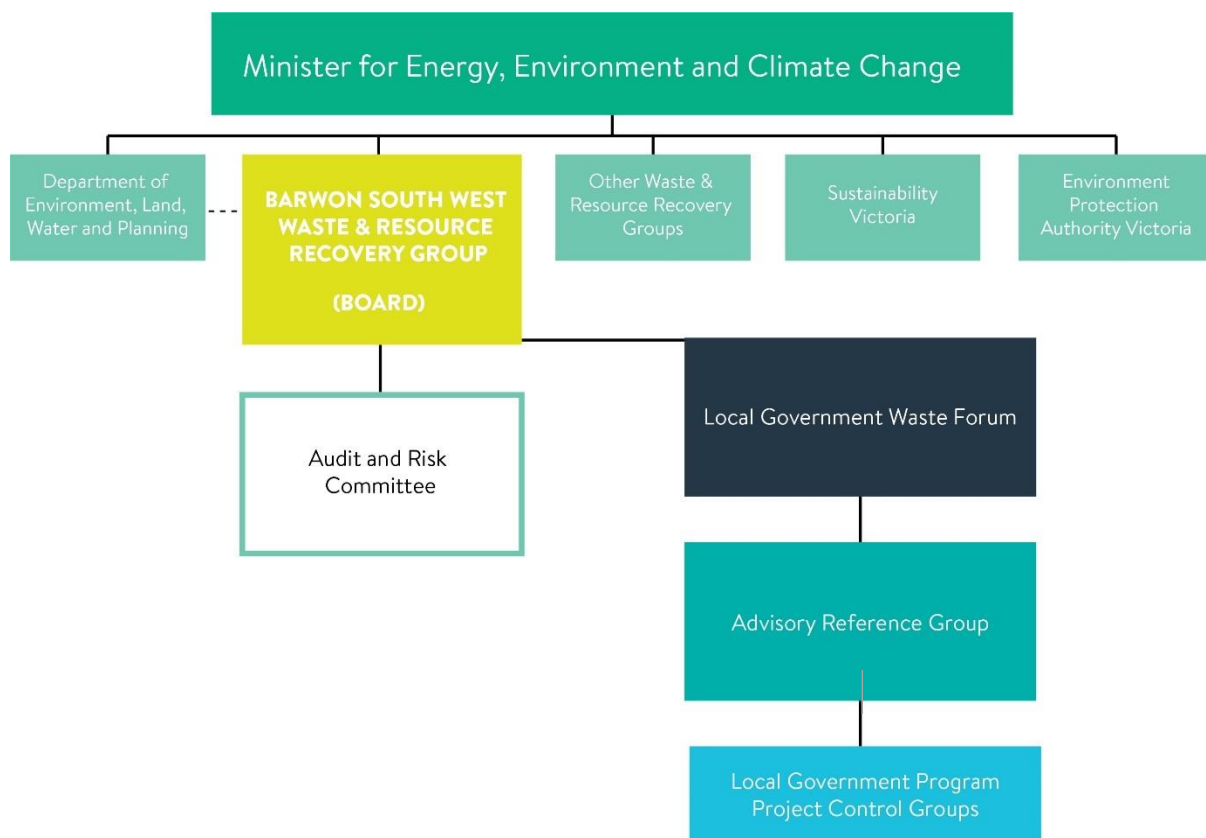
Section 2: Governance and Organisational Structure

Organisational structure

The Barwon South West WRRG operates under legislative requirements outlined in the Act including the Group's objectives, functions and powers which are detailed in sections 49C, 49G, 49H and 49I respectively and Division 2AB of the Waste and Resource Recovery Infrastructure Planning Framework.

The Barwon South West WRRG is governed by a board of eight directors who are appointed by the Minister for Energy, Environment and Climate Change. Four directors are general members and four are nominated by the Barwon South West Local Government Waste Forum (Forum).

The Chair is appointed by the Minister and under legislation, must be a director nominated through the forum process to the Minister.



Governing board

Board Members are required to operate in the best interests of the Barwon South West Waste Resource Recovery Group, rather than in a representative capacity for any stakeholders or customer groups.

The role and duties of the Board include: strategy, governance, and risk management. Barwon South West Waste Resource Recovery Group Directors undertake several responsibilities including:

- Setting the broad strategy to meet its objectives and performance targets;
- Approving, where appropriate, policies and other recommendations received, its subcommittees and staff;
- Monitoring all policies, reviewing and recommending changes to the internal strategies and policies manual;
- Establishing and monitoring governance arrangements for the entity;
- Integrating risk management into the entity's strategic planning process;
- Monitoring and reviewing the effectiveness and relevancy of internal financial and operational risk management, compliance and reporting systems;
- Ensuring the preparation of and approving strategic plans, annual reports, key procedures and policies;
- Reviewing and approving the Annual Budget;
- Appointment and review of the Executive Officer; and
- Assisting to develop and maintain positive relations among the Board, committees, staff, stakeholders and the community to enhance the organisation's purpose.

Name	Role	Selection	Term of appointment for 2018 / 2019
Cr. Jill Parker	Chair	Forum Nominated - Moyne Shire Council	1 July 2018 to 30 June 2019
Cr. David Bell	Deputy Chair	Forum Nominated - Surf Coast Shire Council	1 July 2018 to 30 June 2019
Ms. Mary Bignell	Director	General Member	1 August 2018 to 30 June 2019
Ms. Tara Halliday	Director	General Member	1 July 2018 to 30 June 2019
Cr. Bruce Harwood	Director	Forum Nominated - City of Greater Geelong	1 August 2018 to 30 June 2019
Mr. Lindsay Merritt	Director	General Member	1 July 2018 to 30 June 2019
Ms. Nicole Sexton	Director	General Member	1 August 2018 to 30 June 2019
Cr. Neil Trotter	Director	Forum Nominated - Corangamite Shire Council	1 July 2018 to 30 June 2019
Dr. Jane Stanley	Director (Former)	General Member	1 July 2018 to 30 July 2018

Cr. Jill Parker OAM (Chairperson since May 2017) first elected to the Moyne Shire Council in 2008 has held the 'waste' portfolio continuously. As Moyne representative on the previous South West Waste and Resource Recovery Group, Jill was duly appointed to the Barwon South West Waste and Resource Recovery Group Board in August 2014. Her background in agricultural science and education is complemented by a keen interest in the environment and sustainability. Jill is a graduate of the AICD.

Cr. David Bell was first elected to the Surf Coast Shire Council in 2012 and is the former Mayor. With a horticultural and landscape design background, David operates an organic farm and manages the Torquay Farmers Market. David has participated and led an extensive array of community organisations and previously been a director on the Barwon Regional Waste Management Group.

Mrs. Mary Bignell holds qualifications in agricultural science and has experience in working in Emergency Management within local government. Mary has developed systems for a collaborative approach to Emergency Management amongst local government. Mary is also a non-executive Director with the Water Authority.

Ms. Tara Halliday is an environmental engineer, with 18 years of experience as an environmental consultant. Tara has over ten years of senior leadership and management experience through professional roles. Tara has over four years of board governance involvement through both this current role and her previous directorship with YWCA Darwin.

Cr. Bruce Harwood is City of Greater Geelong's Mayor and a councillor first elected to Council in 2003. Bruce was a policeman for almost 30 years prior to joining Council. Bruce was involved with the new waste management systems along with other exploring waste technologies/alternatives whilst previously serving as a director on the Barwon Regional Waste Management Group.

Mr. Lindsay Merritt holds formal qualifications in civil engineering, municipal engineering and town and regional planning and was a local government senior officer for 36 years with metropolitan and regional city municipalities, including 19 years at CEO level.

Ms. Nicole Sexton has 19 years experience in the water industry, currently as Manager Communications and Engagement. Her qualifications include a Bachelor of Aquatic Science and post graduate qualifications in Facilitation, Project Management and Change Management. Her career has been focused on engaging customers and communities in sustainable behaviour change including consumer behaviours and delivering organisational change programs aimed at improving customer and community value. Nicole has a passion for inspiring and facilitating collaborative action to improve and sustain the health of our environment for the long term.

Cr. Neil Trotter is Corangamite Shire Council's Mayor and a councillor first elected to Council in 2012. Neil holds a diploma in Local Government Administration (elected has a background in hospitality and tourism. The Naroghid Landfill and Resource Recovery Centre in his municipality has led to a strong interest in recycling and waste management.

Dr. Jane Stanley holds a PhD - Architecture/Social & Economic Research (rural-urban migration). Jane has an extensive career working for international, commonwealth, state and local governments with a focus on social planning, housing and settlements. Jane is Managing Director of Focus Pty Ltd which is a planning consultancy working on social, cultural, environmental and economic projects, with additional work in building governance systems and capacity.

Board Meeting Dates

Meeting Dates

23 August 2018	24 April 2019
25 October 2018	23 May 2019
20 December 2018	27 June 2019
1 March 2019	1 Out of session reports (1 August 2019)

Director Attendance for 2018/19 Board Meetings

Name	Attendance	Eligible for attendance
Cr. Jill Parker	7	7
Cr. David Bell	6 *	7
Ms. Mary Bignell	7	7
Ms. Tara Halliday	7	7
Cr. Bruce Harwood	6 *	7
Mr. Lindsay Merritt	6 *	7
Ms. Nicole Sexton	7	7
Cr. Neil Trotter	6 *	7
Dr. Jane Stanley	0	0

*Cr. David Bell was absent due to leave

*Cr. Neil Trotter was absent due to bereavement leave

*Cr. Bruce Harwood was absent due to leave

*Mr. Lindsay Merritt was absent due to leave

Audit and Risk Committee - membership and roles

The Audit and Risk Committee's responsibilities are set out in Standing Direction 3.2.1.1.

Key responsibilities are to:

- review and report independently to the board on the annual report and all other financial information published by the Barwon South West Waste and Resource Recovery Group;
- assist the board in reviewing the effectiveness of Barwon South West Waste and Resource Recovery Group's internal control environment covering: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with external auditors, consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised;
- oversee the effective operation of the risk management framework.

Barwon South West Waste and Resource Recovery Group welcomed new Chairperson Mr. Paul Robson to the Audit and Risk Committee on 1 October 2018.

Members are appointed by the board, on an annual basis, except for the independent representative who is appointed for a maximum three-year term, and are subject to the committee's terms of reference and associated Audit Policy. The members of the Audit and Risk Committee in 2018 -19 are detailed in the table below.

Meetings are held bi-monthly and at any other time on request of a committee member or the internal or external auditor. In 2017-18, the committee met four times. Attendance of committee members is detailed in the table below.

Meeting Dates

9 August 2018	11 April 2019
11 October 2018	9 May 2019
13 December 2018	13 June 2019
14 February 2019	

Attendance for 2018/19 Audit and Risk Committee Meetings

Name	Role	Independent	Term	Attended	Eligible for attendance
Mr. Paul Robson	Chair	✓	1 October 2018 to 30 June 2019	5	5
Cr. Jill Parker	Member		1 July 2018 to 30 June 2019	7	7
Cr. David Bell	Member		1 July 2018 to 30 June 2019	6	7
Mr. Lindsay Merritt	Member		1 July 2018 to 30 June 2019	7	7

Local Government Waste Forum

Section 49B of the *Environment Protection Act 1970* establishes Local Government Waste Forums in each Waste and Resource Recovery Region. The Local Government Waste Forum (LG Forum) is established to support the effective operation of the Board of the Barwon South West Waste and Resource Recovery Group.

The functions of a LG Forum in relation to the Board are:

- a. to nominate the 4 persons who are to be the representatives of the councils for the purposes of section 49K(2)(a); and
- b. if there is a vacancy in the office of a director nominated under section 49K(2)(a), to nominate a person to fill that vacancy; and
- c. to advise the Board of directors of the Waste and Resource Recovery Group on matters and issues affecting the role of councils in waste management and resource recovery; and
- d. to act as a conduit for consultation between the Waste and Resource Recovery Group and the councils in the waste and resource recovery region of that Group.

Each council in a waste and resource recovery region may nominate a representative to a LG Forum for that region. Thus, the LG Forum's membership consists of one councillor from each of the nine stakeholder councils with attendance supported by officers. The LG Forum aims to engage with industry, government and stakeholders to develop and deliver effective, efficient and sustainable and resource recovery planning and management in the Barwon South West Waste and Resource Recovery Group's region.

Meeting Dates

19 July 2018

21 March 2019

15 November 2018

16 May 2019

Members of the Local Government Waste Forum:

Representatives / Proxy / Advisory Members

LOCAL GOVERNMENT WASTE FORUM REPRESENTATIVES			
Given name	Surname	Organisation	Attendance
*Cr. Katrina (Chair)	Rainsford	Southern Grampians Shire Council	4
Cr. Tony	Francis	Borough of Queenscliffe	0
Cr. Bruce	Harwood	City of Greater Geelong	2
*Cr. Kate	Hanson	Colac Otway Shire Council	1
*Cr. Stephen	Hart	Colac Otway Shire Council	1
*Cr. Ruth	Gstrein	Corangamite Shire Council	1
*Cr. Lesley	Brown	Corangamite Shire Council	0
Cr. Robert	Halliday	Glenelg Shire Council	4
Cr. Jill	Parker	Moyne Shire Council	2
Cr. David	Bell	Surf Coast Shire Council	3
Cr. David	Owen	Warrnambool City Council	0

LOCAL GOVERNMENT WASTE FORUM PROXY MEMBERS			
Given name	Surname	Organisation	Attendance
Stuart	Hansen	Borough of Queenscliffe	2
Guy	Wilson-Browne	City of Greater Geelong	0
Cr. Alistair	McDonald	Glenelg Shire Council	0
Sam	Rudolph	Moyne Shire Council	3

LOCAL GOVERNMENT WASTE FORUM ADVISORY MEMBERS			
Given name	Surname	Organisation	Attendance
Rodney	Thomas	City of Greater Geelong	1
Agnes	Tong	City of Greater Geelong	4
Simone	Robertson	Colac Otway Shire Council	2
Frank	Castles	Colac Otway Shire Council	0
Tony	McGann	Colac Otway Shire Council	0
Fiona	Dodge	Colac Otway Shire Council	0
Lyall	Bond	Corangamite Shire Council	2
Anthony	Dufty	Corangamite Shire Council	1
Jess	Maxwell	Corangamite Shire Council	0
Michael	Doherty	Glenelg Shire Council	3
Damon	Barclay	Glenelg Shire Council	1
Josh	Searle	Glenelg Shire Council	0
Ebony	Perrin	Moyne Shire Council	0
Paula	Tovey	Moyne Shire Council	0

Richard	Hodgens	Moyne Shire Council	0
David	Moloney	Southern Grampians Shire Council	0
Kylie	McIntyre	Southern Grampians Shire Council	0
Rod	Van de Hoef	Southern Grampians Shire Council	0
Neil	Brewster	Surf Coast Shire Council	3
Sally	Sneddon	Surf Coast Shire Council	2
Ian	Stewart	Surf Coast Shire Council	0
Kate	McInnes	Warrnambool City Council	1
Glen	Reddick	Warrnambool City Council	0
Lauren	Schneider	Warrnambool City Council	1

- ❖ Cr. Robert Halliday was Chair from 1 July 2018 to 16 March 2019
- ❖ Cr. Katrina Rainsford was elected Chair on 16 March 2019 to 30 June 2019
- ❖ Cr. Stephen Hart departed as the Colac Otway Shire representative from the Local Government Forum on 28 November 2018
- ❖ Cr. Kate Hanson was elected as Colac Otway Shire representative for the Local Government Forum on 28 November 2018
- ❖ Cr. Lesley Brown departed as the Corangamite Shire from the Local Government Forum on 19 March 2019

Advisory Reference Group

The Advisory Reference Group (ARG) is a subgroup of the LG Forum. The ARG was established to advise, assist and inform the LG Forum. The ARG investigates, makes recommendations and provides expert advice to the Forum on technical matters relevant to the delivery of Barwon South West Councils' waste and recycling services.

The LG Forum and the ARG have a close association with the Barwon South West Waste and Resource Recovery Group and the implementation of the BSW Implementation Plan.

Barwon South West Local Government Program

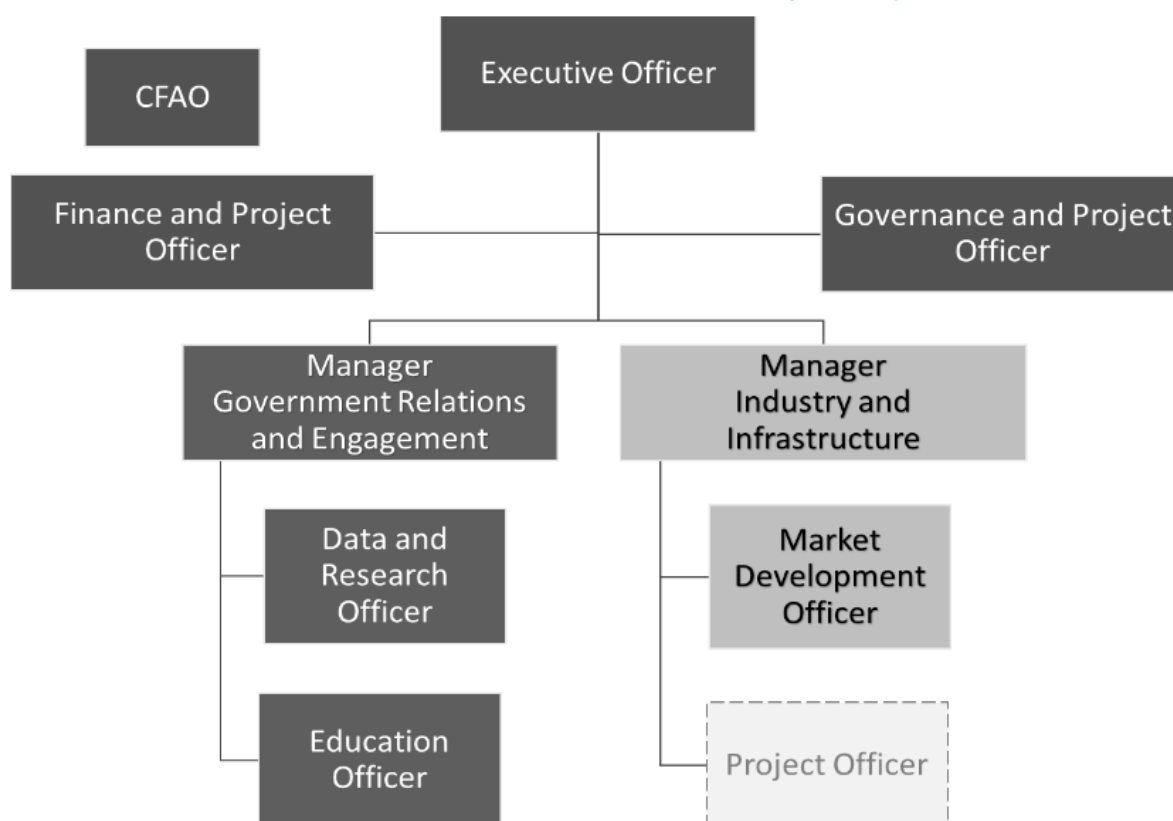
The Barwon South West Local Government Program (LG Program) is an initiative of the LG Forum. During the last 12 months, a number of significant projects have been commenced and completed that bring great benefit to the Barwon South West region.

Through an annual planning process, the LG Forum develops a comprehensive list of projects based on issues and opportunities identified by its member Councils. Some of the projects for 2018/19 included:

1. Completed a Regional Waste and Resource Recovery Engagement/Education Plan.
2. Commenced implementation of the Regional Waste and Resource Recovery Engagement/Education Plan including the establishment of the Can Do Communities program, formation of an Education Working Group, delivery of the E-waste campaign and various presentation at events.
3. Organics End Market Investigation.
4. Collaborative Resourcing Investigation and Implementation project which included the formation of a Working Group to identify priorities for collaborative procurement along with the appointment of a consultant to prepare collaborative tender documents for e-waste collection and processing.
5. Closed Landfill Risk Assessment with Closed Landfills identified and risk assessments undertaken. Preliminary reports are currently being prepared for councils and a consultant is being engaged to undertake detailed assessments on higher priority sites.

LG Program projects are funded by Council contributions, with the possibility of external funding enabling the scope of projects to be adjusted accordingly. The LG program is a rolling program updated annually. The Barwon South West Waste and Resource Recovery Group provides project management support to delivering the highly valued program.

Barwon South West Waste and Resource Recovery Group staff structure



In 2018/19 the Barwon South West Waste and Resource Recovery Group employed:

Executive Officer	Ashley Pittard
Manager Industry and Infrastructure	Philippa Bakes
Manager Government Relations and Engagement	Belinda Bennett
Education Officer	Linda Grant
Finance and Project Officer	Gabrielle Hargrave
Data and Research Officer	Thomas Elford
Market Development Officer	Mark McCleary
Contractor – Chief Financial Accounting Officer (CFAO)	Christine Crowder
Governance and Project Officer	<i>Vacant</i>

Section 3: Workforce data

Public Sector Values and Employment Principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The Barwon South West Waste and Resource Recovery Group continues to improve its policies and procedures that are consistent with the VPSC's employment standards and principles and are consistent with the Department of Environment, Land, Water and Planning model policies. These provide for fair treatment, career opportunities and the early resolution of workplace issues.

The Barwon South West Waste and Resource Recovery Group continues to advise its directors and employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct. Directors and employees are offered relevant training, induction in areas relevant to public sector values.

Occupational Health and Safety

The goal of the Barwon South West Waste and Resource Recovery Group's occupational health and safety (OH&S) policy and procedures are to ensure all staff remain safe and healthy at work and to minimise risk. During the 2018/19 financial year, the organisation has continued several initiatives to improve the health and safety of staff including basic ergonomic assessments and improved equipment, evacuation plans, safety audits to identify and address any workplace risks, first aid training, vehicle safety resource kits, a healthy eating program, flu shots, skin checks.

The Barwon South West Waste and Resource Recovery Group utilises the following interrelated approaches to the management of OH&S:

- A risk management approach to hazard control; and
- Consultation between the employer and their staff.

Incident management

The Barwon South West Waste and Resource Recovery Group did not report any hazards/incidents for the year, nor has it incurred any hazards/incidents for the last five years since inception. Incidents include injuries and other hazards (non-injury) related incidents. There was no (nil) 'lost time' standard claims for the year. No matters have arisen during the year, no (nil) WorkCover claims have been lodged, and no (nil) claim costs have been lodged.

Workforce Data

Barwon South West Waste and Resource Recovery Group employed seven staff (5.8 full time equivalent) on 30 June 2019, which is the same as at 30 June 2018.

The proportion of women was 57% on 30 June 2019, which is the same as at 30 June 2018.

The Hamilton office contains one female staff member which is 100% of the workforce at that location.

Employees have been correctly classified in workforce data collections.

	2018/19		2017/18		2016/17		2015/16		2014/15	
Classification	Number (headcount)	FTE	Number (headcount)	FTE	Number	FTE	Number	FTE	Number	FTE
Executive officer	1	1.0	1	1.0	1	1.0	1	1.0	1	1.0
Senior managers	2	2.0	2	2.0	1	0.8	3	2.6	1	0.8
Administration / Field staff	4	2.8	4	2.8	3	1.8	2	1.0	1	1.0
Total	7	5.8	7	5.8	5	3.6	6	4.6	3	2.8
Male	3	2.4	3	2.4	3	2.4	2	1.6	0	0
Female	4	3.4	4	3.4	2	1.2	4	3.0	3	2.8
Self-described	n	n	n	n	n	n	n	n	n	N
Total	7	5.8	7	5.8	5	3.6	6	4.6	3	2.8
Age 15 - 24	0		0		0		0		0	
25 - 34	2		3		2		1		0	
35 - 44	2		2		3		1		1	
45 - 54	3		2		0		3		2	
55 - 64	0		0		0		1		0	
65+	0		0		0		0		0	
Total	7		7		7		8		4	

Notes:

- All figures reflect employment levels during the last full pay period in June of each year
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June
- FTE is defined as Full Time Equivalent

Classification:

Executive officer means OPSER contract

Administration/Field staff means Band 3 - 4

Senior managers mean Band 5+

Workforce Inclusion Policy

The Barwon South West Waste and Resource Recovery Group is working towards creating a balanced working environment where equal opportunity, ability and diversity are valued. As part of the workforce inclusion policy, the Barwon South West Waste and Resource Recovery Group has a 50/50 target on the gender profile.

Barwon South West Waste and Resource Recovery Group currently has 57% females employed. This demonstrates the Groups notable efforts towards achieving the target on gender profile. The Group currently has an uneven number of employees; therefore this target cannot be completely fulfilled unless there is a change in numbers of employees. This target will continue to be on the forefront of the Groups requisites when hiring new staff.

As there is only one executive, the result of gender equity for executives will always be unbalanced.

Executive officer disclosure

The following outlines the Executive Officer data for the Barwon South West Waste and Resource Recovery Group:

	2018 / 2019	2017 / 2018	2016 / 2017	2015 / 2016	2014 / 2015
No. of Executive Officers Total	1	1	1	1	1
Gender of Executive Officers	Male	Male	Male	Female	Female
No. of Executive Officers with remuneration over \$100,000	1	1	1	1	1
Total no. of Executive Officers that were reported in the Government Sector Executive Remuneration Panel annual survey	1	1	1	1	1

Figures are reflective of the situation on 30 June each year.

Gender types: Female, Male and Self-described.

Section 4: Other disclosures

Local Jobs First Act 2003

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Job first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

There were no contracts over \$1 million awarded by Barwon South West Waste and Resource Recovery Group during the reporting period.

Government advertising expenditure

In 2018/19, the Barwon South West Waste and Resource Recovery Group did not undertake any government advertising campaign with total media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

In 2018/19, there were eight consultancies engaged during the year. The total expenditure incurred during 2018/19 in relation to these consultancies was \$130,830 (excl. GST).

Details of these consultancies and the services are provided below:

Consultancy	Description of service
Village Green Enterprises Pty Ltd	Business Development
Blue Environment	Organics End Market Project
EC Sustainable	Audit and Data Collection Project
Media Masters	Media release
Metropolitan Waste and Resource Recovery Group	Land Use Planning Assessment Project
MRA	Education Plan Collaborative Procurement presentation
Paul Kelly Creative	Branding and Graphic design
Rawtec	Commercial and Industrial Food Organics Report

Details of individual consultancies are outlined below:

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2018/19 (excl. GST)	Future expenditure (excl. GST)
Village Green Enterprises Pty Ltd	Business Development	28 February 2019	July 2019	\$6,466	\$5,021	\$1,445
Blue Environment	Organics End Market Project	3 May 2019	31 August 2019	\$24,990	\$12,495	\$12,495
EC Sustainable	Audit and Data Collection Project	January 2018	September 2018	\$140,000	\$32,812	Nil
Media Masters	Media Release	March 2019	12 March 2019	\$160	\$160	\$160
Metropolitan Waste and Resource Recovery Group	Land Use Planning Assessment Project	February 2019	March 2019	\$24,370	\$24,370	Nil
MRA	Education Plan	1 August 2018	October 2018	\$25,000	\$13,000	Nil
	Collaborative Procurement presentation	September 2018	September 2018	\$15,000	\$2,260	\$12,740
Paul Kelly Creative	Branding and Graphic Design	November 2018	Ongoing	\$15,000	\$20,170	Included in 2019/20 budget
Rawtec	Commercial and Industrial Food Organics Report	February 2019	June 2019	\$20,541	\$20,541	Nil

Information and Communication Technology (ICT) expenditure

For the 2018/19 reporting period, the Barwon South West Waste and Resource Recovery Group had a total ICT expenditure of \$5,225 with the details shown below:

<i>All operational ICT expenditure</i>	<i>ICT expenditure related to projects to create or enhance ICT capabilities</i>		
<i>Business as Usual (BAU) ICT expenditure</i>	<i>Non-Business as Usual (non-BAU) ICT expenditure</i>	<i>Operational expenditure</i>	<i>Capital expenditure</i>
(Total)	(Total = Operational expenditure and capital expenditure)		
\$21,449	\$5,225	\$0	\$5,225

ICT expenditure refers to the Barwon South West Waste and Resource Recovery Group's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the Barwon South West Waste and Resource Recovery Group's current ICT capabilities.

BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Disclosure of Major Contracts

Barwon South West Waste and Resource Recovery Group did not award any major contracts (valued at \$10 million or more) during 2018/19.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Barwon South West Waste and Resource Recovery Group. The Barwon South West Waste and Resource Recovery Group is a statutory authority under the *Environment Protection Act 1970* and is a 'Government Agency' under the terms of the *Freedom of Information Act 1982* (FOI Act 1982). Accordingly, it is required to comply with the procedures that have been prescribed under which members of the public may gain access to information held by agencies. A decision to release information is made by either the Principal Officer or an Authorised Officer. For the 12 months ending 30 June 2018, the Barwon South West Waste and Resource Recovery Group did not receive any requests or applications under the *FOI Act 1982*.

Making a request:

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in s17 of the *FOI Act 1982*. In summary, the requirements for making a request are:

- it should be in writing;
- it should identify as clearly as possible which document is being requested; and

- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of the Barwon South West Waste and Resource Recovery Group, should be addressed to:

Executive Officer
Barwon South West Waste and Resource Recovery Group
PO Box 82
BELMONT VIC 3216

Requests can also be lodged online at www.ovic.vic.gov.au

A \$29.60 fee is applicable. Access charges may also apply once documents have been processed and a decision on access is made for example, photocopying and search and retrieval charges.

The public can apply for a review when a Minister or agency makes a decision under the *Freedom of Information Act 1982* to:

- refuse access in full or in part to a document;
- refuse to amend a personal record;
- defer access to a document; or
- not waive or reduce an application fee.

An application for a review must be made to us within 28 days of you receiving the decision of the Minister or agency.

Further information regarding freedom of information (FOI) can be found at www.ovic.vic.gov.au.

Compliance with *Building Act 1993*

The Barwon South West Waste and Resource Recovery Group does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

The Barwon South West Waste and Resource Recovery Group did not undertake any building works, which fall within the provisions of the *Building Act 1993*, as its offices are leased, and any waste management services are provided by contractors.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Barwon South West Waste and Resource Recovery Group continues to comply with the requirements of the Competitive Neutrality Policy.

Compliance with the *Protected Disclosures Act 2012*

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a protected disclosure?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

The Barwon South West Waste and Resource Recovery Group is a public body for the purposes of the Act.

What is improper or corrupt conduct?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a Protected Disclosure?

You can make a protected disclosure about [agency name] or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that the Barwon South West Waste and Resource Recovery Group is not able to receive protected disclosures.

How can I access Barwon South West Waste and Resource Recovery Group's procedures for the protection of persons from detrimental action?

The Barwon South West Waste and Resource Recovery Group has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Barwon South West Waste and Resource Recovery Group or its employees. You can access the Barwon South West Waste and Resource Recovery Group's procedures on its website at: www.bswwrrg.vic.gov.au

Contacts:

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* requires the Barwon South West Waste and Resource Recovery Group to prepare a disability action plan and report on its implementation in their annual report. Barwon South West Waste and Resource Recovery Group ensures that any employees (current or future) are protected against being excluded from employment which

they have the ability to perform safely. Any 'workplace adjustments' will be made to the workplace as required. The Barwon South West Waste and Resource Recovery Group does this by administering a workforce inclusion policy

Compliance with the Environment Protection Act 1970

The Barwon South West Waste and Resource Recovery Group has complied with all relevant sections of the *Environment Protection Act 1970*.

The Barwon South West Waste and Resource Recovery Group has complied with the Statement of Expectations.

Office-based Environmental Impacts

The Barwon South West Waste and Resource Recovery Group is committed to lead by example in promoting and maintaining the principles of sustainability, especially with waste minimisation and resource recovery within its office environment and projects.

Offices are leased in South Geelong and Hamilton. To ensure the office environment reflects efficiency and environmental sustainability, the Hamilton office is a single room for the one employee and visitors, with associated amenities. The South Geelong office maximises natural light, ventilation and minimal lighting for the staff at this location.

Waste minimisation and resource recovery:

- A recycling system is in place for most office products. Arrangements for the recycling of co-mingled glass, plastic, steel and aluminium containers and reuse of paper prior to recycling are in place.
- Food organics and shredded paper are composted off site.
- Confidential paper records are disposed of through GDP Industries.
- Staff are working to improve efficiency with paper use, minimising printing, reusing paper, wherever practicable. Recycled paper is used where available such as for printing, toilet paper and hand towel.
- Cartridges are recycled through Planet Ark.
- Batteries are collected and delivered to Battery World.
- E-waste is collected and delivered to North Geelong Resource Recovery Centre or GDP Industries.
- Polystyrene is collected and delivered to GDP Industries.
- Soft plastics are collected and delivered to Redcycle.
- Boomerang bags available for shopping.
- The purchasing activities are environmentally responsible and consider recycled materials / equipment / office items where applicable.
- Bottle tops recycled through Envision.
- Bread tags are recycled through Aussie Bread Tags for Wheelchairs.
- Dental products are recycled through Terracycle.

Reasonable efforts are made to minimise consumption of water and power and monitors energy, water and fuel use.

Four vehicles are leased and utilised by the Barwon South West Waste and Resource Recovery Group. The purchase of these vehicles considered economical fuel usage and safety as the key selection criteria. Additional vehicle use, when required, utilises hire car services of an economical and environmentally sustainable choice.

Environmental Aspect	Description	Unit of Measure	2018/19	2017/18	2016/17
Energy	Use Total	Kilowatt hours	4,587	4,085	4,265
Gas	Use Total	Mega joules	0	0	4,780
Water	Consumption Total	Kilolitres	15	12	44
Paper	Total	Reams	24	33	15
	Total Use (100% recycled)	Reams	24	33	12
Transportation	Total Interstate Travel	Flight kilometres	6,720	3,360	2,248
		Use of public transport where possible for all meetings in Melbourne Teleconferencing use where possible to minimise travel			

Compliance with DataVic Access Policy

The Barwon South West Waste and Resource Recovery Group has not been required to provide any information in the required format as part of the DataVic Access Policy.

Statement of availability of other information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the Barwon South West Waste and Resource Recovery Group and are available in full on request, subject to the provisions of the *Freedom of Information Act 1982*.

- A statement that declarations of pecuniary interests have been duly completed by all relevant officer
- Details of publications produced by the Barwon South West Waste and Resource Recovery Group about itself, and how these can be obtained
- Details of any major reviews carried out in respect of the operation of the Barwon South West Waste and Resource Recovery Group
- Details of major research and development activities undertaken by the Barwon South West Waste and Resource Recovery Group

- e) Details of major promotional, public relations and marketing activities undertaken by the Barwon South West Waste and Resource Recovery Group to develop community awareness of the entity and its services
- f) A general statement on industrial relations within the Barwon South West Waste and Resource Recovery Group and details of time lost through industrial accidents and disputes

The information is available on request from:

Executive Officer

Barwon South West Waste and Resource Recovery Group

Phone: (03) 5223 2622

Email: info@bswwrrg.vic.gov.au

Details in respect of the following items have been included in the Barwon South West Waste and Resource Recovery Group's annual report, on the pages indicated below:

- g) Details of assessments and measures undertaken to improve the occupational health and safety of employees (on page 38)
- h) A list of major committees sponsored by the Barwon South West Waste and Resource Recovery Group; the purposes of each committee and the extent to which the purposes have been achieved (on pages 30-34)
- i) Details of all consultancy's services provided; and expenditure committed for each engagement (on page 42-43). Contractors details available on request.

Information that is not applicable to Barwon South West Waste and Resource Recovery Group:

The following information is not relevant to the Barwon South West Waste and Resource Recovery Group, for the reasons set out below:

- j) A declaration of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary (No shares have ever been issued to or in the name of Barwon South West Waste and Resource Recovery Group).
- k) Details of overseas visits undertaken (No board member or senior officer took overseas work-related trips).
- l) Details of changes in prices, fees, charges, rates and levies charged for its services (Barwon South West Barwon South West Waste and Resource Recovery Group does not have any charges or the like).

Financial management compliance attestation

I, Jill Parker, on behalf of the Responsible Body, certify that the Barwon South West Waste and Resource Recovery Group has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act* 1994 and Instructions.

The Barwon South West Waste and Resource Recovery Group's Audit and Risk Committee has verified this.

A handwritten signature in black ink, appearing to read 'J Parker', with a large, stylized initial 'J'.

Jill Parker OAM

Chairperson

Barwon South West Waste and Resource Recovery Group

22 August 2019

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2019

The attached financial statements for Barwon South West Waste and Resource Recovery Group have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

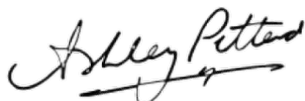
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Group at 30 June 2019.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 22 August 2019.



C Crowder
Chief Finance and Accounting Officer
Barwon South West WRRG
Geelong
22 August 2019



A Pittard
Executive Officer
Barwon South West WRRG
Geelong
22 August 2019



J Parker
Chairperson
Barwon South West WRRG
Geelong
22 August 2019

Independent Auditor's Report

To the Board of the Barwon South West Waste and Resource Recovery Group

Opinion	<p>I have audited the financial report of the Barwon South West Waste and Resource Recovery Group (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • accountable officer's and chief finance and accounting officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the authority'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 it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 authority'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 authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority 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.

I 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 I identify during my audit.

MELBOURNE
9 September 2019



Paul Martin
as delegate for the Auditor-General of Victoria

BSWWRRG Financial Statements

Barwon South West Waste & Resource Recovery Group
For the year ended 30 June 2019

Barwon South West Waste and Resource Recovery Group –FINANCIAL STATEMENTS

How this report is structured

Barwon South West Waste and Resource Recovery Group (the Group) has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about the Group's stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statement	56
	Balance sheet	57
	Statement of changes in equity	58
	Cash flow statement	59
Notes to the financial statements	1. About this report	60
	The basis on which the financial statements have been prepared and compliance with reporting regulations	
	2. Funding delivery of our services	61
	Revenue recognised from contributions, grants, and other sources	
	2.1 Summary of income that funds the delivery of our services	61
	3. The cost of delivering services	62
	Operating expenses of the Group	
	3.1 Expenses incurred in delivery of services	62
	3.2 Employment benefits in the balance sheet	64
	3.3 Superannuation and contributions	64
	3.4 Purchase of services	65
	4. Major assets and investments	65
	4.1 Property, plant and equipment	65
	5. Other assets and liabilities	67
	Working capital balances, and other key assets and liabilities	
	5.1 Receivables	67
	5.2 Other non-financial assets	67
	5.3 Liabilities	68
	6. Financing our operations	69
	Interest bearing liabilities, leases and cash flow information	
	6.1 Interest bearing liabilities	69
	6.2 Leases	69
	6.3 Cash flow information and balances	70
	6.4 Other financial assets	70
	6.5 Interest revenue	70
	6.6 Commitments for expenditures	71

Notes to the financial statements	7. Risks, contingencies and valuation judgements	71
	Financial risk management, contingent assets and liabilities as well as fair value determination	
(continued)	7.1 Financial instruments	71
	7.2 Financial risk management objectives and policies	72
	7.3 Contingent assets and liabilities	73
	8. Other disclosures	73
	8.1 Contributions by owners	73
	8.2 Goods and services tax	73
	8.3 Subsequent events	73
	8.4 Other economic flows included in net result	74
	8.5 Remuneration of executives and payments to other personnel	74
	8.6 Auditors' remuneration	75
	8.7 Related party transactions	75
	8.8 New accounting standards and interpretations issued that are not yet effective	76

Comprehensive Operating Statement

Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2019

	NOTES	2019	2018
Continuing operations			
Income from transactions			
Contributions	2	954,279	956,797
Grants	2	7,500	225,000
Other Revenue		28,872	25,958
Total Income from transactions		990,651	1,207,755
Expenses from transactions			
Employee Expenses	3	711,825	433,627
Depreciation Expense	4	35,223	17,867
Interest Expense	6	3,143	1,536
Other Operating Expenses	3	385,800	442,371
Total Expenses from transactions		1,135,991	895,401
Net result from transactions		(145,340)	312,354
Other economic flows included in net result			
Net gain/(loss) on non-financial assets (on disposal)	4, 8	3,930	19
Net gain/(loss) on financial instruments	5, 8	-	-
Total Other economic flows included in net result		-	-
Net Result for the Year		(141,410)	312,373
Net Result and Total Comprehensive Income for the Year		(141,410)	312,373

The accompanying notes form part of this financial statement

Balance Sheet

Barwon South West Waste & Resource Recovery Group As at 30 June 2019

	NOTES	2019	2018
Assets			
<u>Current Assets</u>			
Cash and Cash Equivalents	6	525,257	648,358
Receivables	5	209,269	204,494
Other Financial Assets	6	830,000	750,000
Other Non-financial Assets	5	26,114	18,818
Total Current Assets		1,590,640	1,621,670
<u>Non-current Assets</u>			
Property, Plant and Equipment	4	111,970	72,669
Total Non-current assets		111,970	72,669
Total Assets		1,702,610	1,694,339
Liabilities			
<u>Current Liabilities</u>			
Payables	5	48,290	76,781
Unearned/Prepaid Income	5	213,273	132,924
Interest Bearing Liabilities – Current portion	6	17,709	21,772
Employee Related Provisions	3	80,657	17,067
Total Current Liabilities		359,929	248,544
<u>Non-current Liabilities</u>			
Unearned/Prepaid Income	5	17,950	17,461
Interest Bearing Liabilities – Non-current portion	6	78,356	46,421
Employee Related Provisions	3	10,777	4,905
Total Non-current Liabilities		107,083	68,787
Total Liabilities		467,012	317,331
Net Assets		1,235,598	1,377,008
Equity			
Accumulated Surplus/(Deficit)		977,300	1,118,710
Contributed Capital		258,298	258,298
Total Equity		1,235,598	1,377,008

The accompanying notes form part of this financial statement

Statement of Changes in Equity

Barwon South West Waste & Resource Recovery Group
For the year ended 30 June 2019

	Note	Contributed Capital	Accumulated Surplus	Total
		\$	\$	\$
Balance at 1 July 2017	8	258,298	806,337	1,064,635
Net result for the year		-	312,373	312,373
Balance at 30 June 2018		258,298	1,118,710	1,377,008
Net result for the year		-	(141,410)	(141,410)
Balance at 30 June 2019		258,298	977,300	1,235,598

The accompanying notes form part of this financial statement

Cash Flow Statement

Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2019

	NOTES	2019	2018
Cash flows from Operating Activities			
Receipts			
Receipts from government		806,291	1,028,769
Receipts from other entities		250,862	176,758
Interest received		28,872	25,958
Net GST received		24,520	11,462
Total Receipts		1,110,545	1,242,947
Payments			
Payments to suppliers and employees		(1,107,780)	(902,858)
Interest and other costs of finance paid		(3,143)	(1,536)
Total Payments		(1,110,923)	(904,394)
Net cash flows from /(used in) operating activities	6	(378)	338,553
Cash flows from Investing Activities			
Payment for property, plant and equipment		(19,785)	(8,167)
Payments for investments		(980,000)	(1,833,861)
Proceeds from sale of investments		900,000	1,831,953
Net cash flows from / (used in) investing activities		(99,785)	(6,259)
Cash flows from Financing Activities			
Repayment of borrowings and finance leases		(22,938)	(13,803)
Net cash flows from / (used in) financing activities		(22,938)	(13,803)
Net increase/(decrease) in cash and cash equivalents		(123,101)	318,491
Cash and cash equivalents at the beginning of the financial year		648,358	329,867
Cash and cash equivalents at the end of the financial year	6	525,257	648,358

The accompanying notes form part of this financial statement

Notes to the Financial Statements

Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2019

1. ABOUT THIS REPORT

1.1 Reporting Entity

Under Section 49D(1) of the *Environment Protection Act 1970*, the former Minister for Environment and Climate Change made an order declaring 1 August 2014 as the date on which the new waste and resource recovery groups commence operation, including Barwon South West Waste and Resource Recovery Group (the Group).

The accounting policies set out below have been applied in preparing the financial statements for the years ended 30 June 2019 and 2018.

Barwon South West Waste and Resource Recovery Group is a Statutory Authority acting on behalf of the Victorian Government. The principal address is:

Barwon South West Waste and Resource Recovery Group
PO Box 82
BELMONT VIC 3216

Objectives and funding

The Group's overall objective is to develop and implement a Regional Waste and Resource Recovery Implementation Plan (RWRIP). This plan will set out how the waste and resource recovery infrastructure needs of a waste region will be met over a 10 year period and will align with the Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP).

The Group's core income is provided from the landfill levy as legislated under Section 70E of the EP Act.

As at 1 July 2015, the legislative function of distributing landfill levy to the Group via the Environment Protection (Landfill Levy Distribution) Regulations 2010 was revoked. This legislation was replaced with Section 70E (5) of the EP Act, which provides for the landfill levy to be distributed by DELWP upon approval of a Ministerial Determination. The Ministerial Determination must specify the exact amount of distribution, the method by which the amount is to be calculated, the times the amount must be paid and the period for which the determination has been made.

1.2 Basis of Accounting Preparation and Measurement

This Annual Financial Report presents the audited general purpose financial statements of Barwon South West Waste and Resource Recovery Group for the years ended 30 June 2019 and 2018.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of the relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when the cash is received or paid.

The financial statements have been prepared on a going concern basis.

The general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS's), Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the *Financial Management Act 1994* (FMA) and applicable Ministerial Directions. Where applicable, those paragraphs of the AAS's applicable to not-for-profit entities have been applied. The Group is a not-for-profit entity for the purpose of preparing the financial statements.

The preparation of financial statements in conformity with AAS requires the use of certain accounting estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Examples include accruals, depreciation, and employee provisions. Actual results may differ from these estimates. It also requires management to exercise its judgement in the process of applying the entity'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 entity and that are believed to be reasonable under the circumstances. It is expected that the estimates and assumptions adopted are not likely to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The financial statements are presented in Australian dollars, and prepared under the historical cost convention, except for the revaluation of financial assets and certain classes of property, plant, and equipment.

All amounts shown in the financial statements are rounded to the nearest dollar, unless otherwise stated. Figures in the financial report may not equate due to rounding.

1.3 Statement of Compliance

This financial report is a general purpose report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes accompanying these statements.

The annual financial statements were authorised for issue by the Board on 22 August 2019.

2. FUNDING DELIVERY OF OUR SERVICES

	2019	2018
2.1 Summary of income that funds the delivery of our services		
(a) Contributions		
Landfill levy distribution - from DELWP	807,211	789,230
Local Government Forum Contributions	147,068	167,567
Total (a) Contributions	954,279	956,797
(b) Grants		
WRRIP	-	225,000
Other Grants	7,500	-
Total (b) Grants	7,500	225,000
Total Summary of income that funds the delivery of our services	961,779	1,181,797

Landfill Levy Revenue

Landfill levy revenue reflects the amounts received and receivable for the financial period by the Group.

Grants and Contributions

Grants and contributions are recognised on receipt unless there is a clear agreement regarding the amount that will be received in which case the amount of the grant receivable in respect of the current financial year is brought to account on an accrual basis. During the year ending 30 June 2019, the Group received \$166,422 (exclusive of GST) of contributions from the nine regional councils for the benefit of the Local Government Program. Revenues are only recognised to the extent expenditures are incurred. The difference between the contributions received and the revenue recognised is reported as Unearned Income (see Note 5.3.1).

3. THE COST OF DELIVERING SERVICES

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

	2019	2018
3.1 Expenses incurred in the delivery of services		
<u>(a) Employee Expenses in Comprehensive Operating Statement</u>		
Superannuation expense	54,558	35,585
Salaries and wages, annual leave, long service leave and workers comp	657,267	398,042
Total (a) Employee Expenses	711,825	433,627
<u>(b) Other operating expenses</u>		
<u>Supplies and services</u>		
Purchase of consumables	2,912	2,377
Purchase of services (Note 3.4)	345,336	404,317
Maintenance	1,304	1,387
Total Supplies and services	349,552	408,081
<u>Operating lease rental expenses</u>		
Lease Payments	36,248	34,290
Total Operating lease rental expenses	36,248	34,290
Total (b) Other operating expenses	385,800	442,371
Total Expenses incurred in the delivery of services	1,097,625	872,234

Employee Expenses

These expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Employee Benefits

Provision is for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave, are all recognised in the provision for employee benefits as current liabilities, because the Group does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- nominal value - if the Group expects to wholly settle within 12 months; or
- present value - if the Group does not expect to wholly settle within 12 months.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognized in the Comprehensive Operating Statement as it is taken.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Group does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value - if the Group expects to wholly settle within 12 months; and
- present value - if the Group does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the "net result from transactions", except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised in the net result as another economic flow.

On-costs related to employee expenses

On-costs such as superannuation, payroll tax, and workers compensation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Group to the relevant superannuation plans in respect to the services of the Group's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Group is required to comply with.

Other Operating Expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Routine maintenance, repair and minor renewal costs are expensed as incurred. Where the expense incurred relates to the replacement of a component of an asset, the cost exceeds the capitalisation threshold and it meets the definition of an asset, the cost is capitalised and depreciated.

Operating Leases

Operating leases are leases in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Comprehensive Operating Statement on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represent the pattern of benefits derived from the leased assets.

3.2 Employee Benefits in the Balance Sheet

Current Provisions		
Annual Leave		
Unconditional and expected to be settled within 12 months	30,434	13,439
Total Annual Leave	30,434	13,439
Long Service Leave		
Unconditional and expected to be settled within 12 months	7,230	-
Unconditional and expected to be settled after 12 months	30,995	-
Total Long Service Leave	38,225	-
Provisions for On-costs		
Unconditional and expected to be settled within 12 months	8,932	3,628
Unconditional and expected to be settled after 12 months	3,066	-
Total Provisions for on-costs	11,998	3,628
Total Current Provisions	80,657	17,067
Non Current Provisions		
Employee benefits	9,807	4,458
On-Costs	970	447
Total Non Current Provisions	10,777	4,905
Total Employee Benefits in the Balance Sheet	91,434	21,972

(a) Movement in On-cost Provisions

Opening Balance	4,075	8,893
Additional provisions recognised	13,317	7,151
Reductions arising from payments/other sacrifices of future economic benefits	(4,669)	(11,970)
Unwind of discount and effect of changes in the discount rate	245	1
Closing balance	12,968	4,075

3.3 Superannuation and Contributions

The Group contributes in respect of its employees, to accumulation superannuation schemes.

There were \$15,806 and \$278 contributions outstanding as of 30 June 2019 and 2018, respectively. There were no loans issued from or to the above schemes as of the financial report date.

The Group makes employee superannuation contributions in respect of its employees to various nominated funds, chosen by its employees. Obligations for contributions to these funds are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

Accumulation

The accumulation fund category receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the years ended 30 June 2019 and 2018, this was 9.5% required under Superannuation Guarantee legislation).

3.4 Purchase of Services

	2019	2018
Purchase of Services		
Professional Services	48,846	69,857
Consultancy Services	130,191	180,027
Travel and Related Expenses	32,684	33,002
Audit Services	28,150	27,600
Information Communication Technology Services	18,537	20,107
Business Operating Expenses	16,103	8,952
Motor Vehicle Expenses	2,336	9,526
Staff Related Expense	15,342	25,112
Insurance Expense	9,618	7,593
Office Supplies and Consumables	4,256	4,396
Marketing and Media	30,569	9,142
Other Occupancy Expenses	7,149	7,082
Other Expenses	1,555	1,921
Total Purchase of Services	345,336	404,317

4. MAJOR ASSETS AND INVESTMENTS

4.1 Property, Plant and Equipment

	2019	2018
4.1.1 Classes of Property, Plant and Equipment		
Motor Vehicles		
Motor Vehicles at Fair Value	109,482	84,253
Less: Accumulated Depreciation	(20,160)	(22,409)
Total Motor Vehicles	89,322	61,844
Plant and Equipment		
Plant and Equipment at Fair Value	45,268	24,483
Less: Accumulated Depreciation	(22,620)	(14,658)
Total Plant and Equipment	22,648	10,825
Total Classes of property, plant and equipment	111,970	72,669

Recognition of Non-current Physical Assets

Property, plant and equipment represent non-current physical assets comprising land, buildings, plant, equipment and motor vehicles, used by the Group in its operations. Items with a cost or value in excess of \$500 and a useful life of more than one year are recognised as an asset. All other items acquired are expensed.

Assets acquired at no cost or for nominal consideration by the Group are recognised at fair value at the date of acquisition.

Measurement of Non-current Physical Assets

All non-current physical assets are recognised initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Fair value has been assessed to approximate net book value.

Sale of Fixed Assets

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

4.1.2 Depreciation and Amortisation of Non-Current Assets

All non-current physical assets that have a limited useful life are depreciated. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts, net of the residual values, over the estimated useful life, commencing from the time the asset is held ready for use. The asset residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

Straight-line depreciation is charged based on the residual useful life as determined each year. Major depreciation periods used are listed below.

ASSET CLASS	YEARS
Motor Vehicles	4
Plant and Equipment	2 - 5

4.1.3 Impairment of Non-financial Assets

All assets are assessed annually for indicators of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the Comprehensive Operating Statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of value in use and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of current replacement cost and fair value less costs to sell. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading asset revaluation reserve. However, to the extent that an impairment loss on the same class of asset was previously recognised in the operating statement, a reversal of that impairment loss is also recognised in the comprehensive operating statement.

4.1.4 Net Gain/(Loss) on Disposal of Non-financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting the proceeds from the carrying value of the asset at the time.

	2019	2018
Net gain/(loss) on non-financial assets		
Net gain on disposal of property plant and equipment	3,930	19
Total Net gain/(loss) on non-financial assets	3,930	19

4.1.5 Movements during the reporting period in property, plant and equipment

	Plant and Equipment	Motor Vehicles	Total
Balance as of 30 June 2017	5,933	29,621	35,554
Acquisition of assets	8,168	57,339	65,507
WDV of disposals	-	(10,525)	(10,525)
Depreciation	<u>(3,276)</u>	<u>(14,591)</u>	<u>(17,867)</u>
Balance as of 30 June 2018	10,825	61,844	72,669
Acquisitions of assets	19,785	83,420	103,205
WDV of disposals	-	(28,681)	(28,681)
Depreciation	<u>(7,962)</u>	<u>(27,261)</u>	<u>(35,223)</u>
Balance as of 30 June 2019	22,648	89,322	111,970

5. OTHER ASSETS AND LIABILITIES

	2019	2018
5.1 Receivables		
Current		
Contractual		
Trade Debtors	209,269	204,494
Total Contractual	209,269	204,494
Total Current	209,269	204,494
Total Receivables	209,269	204,494

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services, loans to third parties and accrued investment income; and
- statutory receivables, such as amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as “financial assets at amortised cost”.

Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Contractual receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of contractual receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written-off. A provision for doubtful debts is established based on expected credit loss. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amounts credited to the provision are recognised as an expense in the comprehensive operating statement.

Past due trade receivables

As of 30 June 2019, trade receivables do not contain impaired assets and are not past due.

	2019	2018
5.2 Other Non-Financial Assets		
Current other assets		
Prepayments	26,114	18,818
Total Current other assets	26,114	18,818
Total Other Non-Financial Assets	26,114	18,818

Prepayments

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.3 Liabilities

2019

2018

5.3.1 Payables

Current

Contractual

Supplies and Services	15,297	68,758
Other Payables	15,806	278
Unearned/Prepaid Income	213,273	132,924
Total Contractual	244,376	201,960

Statutory

PAYG Withholding Liability	18,722	6,978
Goods and Service Tax	(6,137)	(7,180)
Fringe Benefit Tax	4,602	7,946
Total Statutory	17,187	7,744
Total Current	261,563	209,805

Non Current Contractual

Unearned/Prepaid Income	17,950	17,461
Total Contractual	17,950	17,461
Total Non Current	17,950	17,461
Total Payables	279,513	227,165

Payables consist of:

- Contractual payables, such as accounts payable, and unearned income including deferred income from Local Government Program contributions. Accounts payable represent the liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid, and arise when the Group becomes obliged to make future payments in respect of the purchase of those goods and services; and
- Statutory payables, such as goods and services tax and fringe benefits tax payable

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised costs, because they do not arise from a contract.

The contractual payables are unsecured and are usually paid within 30 days or recognition.

Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

6. FINANCING OUR OPERATIONS

2019 2018

6.1 Interest Bearing Liabilities

<u>Current interest bearing liabilities</u>		
Finance lease liabilities	17,709	21,772
Total Current interest bearing liabilities	17,709	21,772
<u>Non-current interest bearing liabilities</u>		
Finance lease liabilities	78,356	46,421
Total Non-current interest bearing liabilities	78,356	46,421
Total interest Bearing Liabilities	96,065	68,193

All interest bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs (refer also to Note 6.2 *Leases*). The measurement basis subsequent to initial recognition is at amortised costs.

6.2 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

6.2.1 Finance Lease Liabilities

Finance leases entered into by the Group relate to motor vehicles with lease terms of three years. The amount financed is amortised over five years. The vehicles are sold at the conclusion of the lease with the proceeds applied to the remaining financed balance. Any deficit is charged or surplus is remitted to the Group.

Minimum future lease payments

	2019	2018
<u>Finance Lease liabilities payable</u>		
Not longer than one year	20,569	23,490
Longer than one year but not longer than five years	81,200	48,650
Minimum future lease payments	101,769	72,140
<u>Less future finance charges</u>		
Less future finance charges	(5,704)	(3,947)
Present value of minimum lease payments	96,065	68,193

Present value of minimum future lease payments

<u>Finance lease liabilities payable</u>		
Not longer than one year	17,709	21,772
Longer than one year but not longer than five years	78,356	46,421
Present value of minimum lease payments	96,065	68,193
<u>Included in the financial statements as:</u>		
Borrowings	96,065	68,193
Total Finance Lease Liabilities	96,065	68,193

6.2.2 Interest Expense

Interest expense represents costs incurred in connection with borrowings. It includes the interest components of finance lease repayments and is recognised in the period in which it is incurred

	2019	2018
Interest Expense		
Interest on finance leases	3,143	1,536
Total Interest Expense	3,143	1,536

6.3 Cash Flow Information and Balances

6.3.1 Cash and Cash Equivalents

The Group considers cash and cash equivalents on the Balance Sheet to include cash on hand, cash at bank, deposits at call with banks and those highly liquid investments (with original maturities of three months or less) which are held for the purpose of meeting short term cash commitments rather than for investment purposes, are readily convertible to known amounts of cash with an insignificant risk of changes in value. Cash at bank is bearing a floating interest rate of the cash rate plus 0.15%.

	2019	2018
Cash and Cash Equivalents		
Cash at bank	525,257	648,358
Total Cash and Cash Equivalents	525,257	648,358

Reconciliation to cash at the end of year

Balance as above	525,257	648,358
Balance as per Cash Flow Statement	525,257	648,358

6.3.2 Reconciliation of Net Result for the Period to Net Cash From Operating Activities

	2019	2018
Net result for the year		
Net result for the year	(141,410)	312,373
Non-cash movements:		
(Gain)/loss on sale or disposal of non-current assets	(3,930)	(19)
Depreciation of non-current assets	35,223	17,867
Net (gain)/loss on financial instruments	-	-
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(4,775)	(7,284)
(Increase)/decrease in other non-financial assets	(7,296)	15,038
Increase/(decrease) in payables	52,348	27,844
Increase/(decrease) in provisions	69,462	(27,266)
Net cash flows from/(used in) operating activities	(378)	338,553

6.4 Other Financial Assets

Term deposits reported as other financial assets class include only term deposits with original maturity greater than 90 days and less than one year. Term deposits are bearing interest rates between 2.22% and 2.55%.

	2019	2018
Other Financial Assets		
Term Deposits – AUD – at amortised cost	830,000	750,000
Total Other Financial Assets	830,000	750,000

6.5 Interest Revenue

Interest is recognised when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

	2019	2018
6.5.1 Interest Revenue		
Interest on bank deposits	28,872	25,958
Total Interest Revenue	28,872	25,958

6.6 Commitments for Expenditures

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 6.6.1) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the Balance Sheet.

2019 2018

6.6.1 Total Commitments Payable

Operating and lease commitments payable

Less than 1 year	53,476	57,864
Longer than 1 year but not longer than 5 years	175,286	144,780
Total Operating and lease commitments payable	228,762	202,644
Total Total Commitments Payable	228,762	202,644

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

7.1 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Group's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the Group are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

From 1 July 2018, the Group applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets at fair value through other comprehensive income

Financial assets at fair value through net result

All Group financial assets are held at amortised cost. Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- (i) the assets are held by the Group to collect the contractual cashflows, and
- (ii) the assets' contractual terms give rise to cash flows that are solely payment of principal and interest.

These assets are initially recognized at fair value plus any directly attributable transaction costs and subsequently measured at amortised costs using the effective interest rate method less any impairment.

The following financial assets are recognized in this category:

- (i) Trade receivables (excluding statutory receivables)
- (ii) Cash and short term deposits at bank

Categories of financial assets previously under AASB 139

Loans and receivables and cash

Available-for-sale financial instrument assets

Held to maturity financial assets

All Group financial assets were previously categorized as Loans and receivables and cash.

Categories of financial liabilities under AASB 9

Financial liabilities at fair value through net result
Financial liabilities at amortised cost
Derivative financial instruments
Offsetting financial instruments

All Group financial liabilities are held at amortised costs. This represents no change from the previous classification under AASB 139. Financial liabilities at amortised cost are initially recognized on the date at fair value plus any directly attributable transactions costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognized amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The Group recognizes the following liabilities in this category:

- (i) Trade and other payables (excluding statutory payables)
- (ii) Interest bearing liabilities

All Group financial liabilities were previously held at amortised cost.

7.1.1 Impairment of Financial Assets under AASB9 – applicable from 1 July 2018

From 1 July 2018, the Group has been assessing (and recording if applicable) the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the Group's contractual receivables and statutory receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no impairment recorded for this financial asset.

A provision for doubtful debts is established when there is objective evidence that the Group expects a credit loss. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings. The Group has not written off or provided for any debts during the year or at 30 June 2019 as there is no evidence to suggest this is required. The balances of receivables that remain within initial trade terms are considered to be of high credit quality. The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. The other classes of receivables do not contain impaired assets. At balance date and during the year, there were no expected or incurred loss as a result of receivables not being paid. There was also no provision for impairment of receivables at 30 June 2019 that required reassessment under AASB 9.

7.2 Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's Board has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's overall risk management program seeks to minimise potential adverse effects from the financial and operational performance of the Group.

Risk management is carried out by the Board of Directors and the Audit Committee under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks. The board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

7.1.2 Risk Exposure

The main risks the Group is exposed to through its financial instruments are as follows:

(a) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Group's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. The Group's exposure to market risk is primarily through interest rate risk, there is no exposure to foreign exchange risk and insignificant exposure to other price risks. Objectives, policies and processes used to assess these risks are disclosed in the paragraphs below:

Interest Rate Risk

The Group has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The Group manages its interest rate risk by maintaining a bank account with a floating interest rate.

Foreign Exchange Rate

The Group has no exposure to changes in the foreign exchange rate.

Other Price Risk

The Group has no significant exposure to Other Price Risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Group as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Group's receivables and financial assets available for sale.

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance consists predominantly of an amount due from the Victoria Government.

(c) Liquidity risk

Liquidity Risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to settle financial obligations within 30 days and in the event of dispute, make payments within 30 days from the date of resolution.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

7.3 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed by way of Notes to the Financial Statement and if quantifiable are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. The Group is not aware of any contingent liabilities or contingent assets existing at the reporting date.

8. OTHER DISCLOSURES

	2019	2018
8.1 <u>Contributions by Owners</u>		
Opening Balance	258,298	258,298
Contributed Capital	-	-
Closing Balance	258,298	258,298

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners are treated as equity transactions and, therefore, do not form part of the income and expenses of the Group. Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

8.2 Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows arising from operating activities are disclosed in the Cash Flow Statement on a gross basis - i.e. inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable or payable to the taxation authority is classified as operating cash flows.

8.3 Subsequent Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the future financial years.

8.4 Other Economic Flows Included In Net Result

(a) Net gain/(loss) on non-financial assets

Net gain on disposal of property plant and equipment	3,930	19
Total (a) Net gain/(loss) on non-financial assets	3,930	19
Total Other Economic Flows Included In Net Result	3,930	19

8.5 Remuneration of Executives, Key Management Personnel and Payments to Other Personnel

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period. The responsible Minister during the 2018-19 reporting period was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

8.5.1 Responsible persons

The persons who held the positions of ministers and accountable officers in the Group are as follows:

Name	Title	Period of Appointment
Responsible Ministers		
The Honourable Lily D'Ambrosio	Minister for Energy, Environment and Climate Change	01/07/2018 to 30/06/2019
Directors		
Cr. Jill Parker	Chairperson	01/07/2018 to 30/06/2019
Cr. David Bell	Director	01/07/2018 to 30/06/2019
Mr. Lindsay Merritt	Director	01/07/2018 to 30/06/2019
Ms. Tara Halliday	Director	01/07/2018 to 30/06/2019
Cr. Neil Trotter	Director	01/07/2018 to 30/06/2019
Cr. Bruce Harwood	Director	01/07/2018 to 30/06/2019
Ms. Mary Bignell	Director	01/07/2018 to 30/06/2019
Ms. Nicole Sexton	Director	01/07/2018 to 30/06/2019
Dr. Jane Stanley	Director (Former)	01/07/2018 to 30/07/2018
Accountable Officer		
Mr. Ashley Pittard	Executive Officer	01/07/2018 to 30/06/2019

8.5.2 Total Remuneration of Responsible Persons

Remuneration received or receivable by the Accountable Officer in connection with the management of the Group during the reporting period was in the range: \$150,000 - \$159,000 (\$140,000 - \$149,000 in 2017-18)

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs (including Key Management Personnel disclosed in Note 8.5.1)	Total remuneration	
	2019	2018
Short-term employee benefits	183,912	169,297
Post-employment benefits	15,112	13,701
Total	199,024	182,998
Total number of KMPs	10	8

	2019	2018
8.6 Auditors' Remuneration		
Victorian Auditor-General audit of financial statements	14,900	14,100
Internal Audit	13,250	13,500
Total Auditors' Remuneration	28,150	27,600

8.7 Related Party Transactions

The Group is a wholly owned and controlled entity of the State of Victoria. Related parties of the Group include:

- all key management personnel (refer to responsible persons in Note 8.5.1) and their close family members and personal business interests (controlled entities, joint ventures and entities over which they have significant influence).
- all cabinet ministers and their close family members; and
- all departments and public-sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public (e.g. stamp duty and other government fees and charges). Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Group, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised for impairment or receivables from related parties. There were no loans in existence by the Group to responsible persons or related parties at the date of this report.

Significant transactions with government-related entities

During the year the Group received \$807,211 of landfill levy distributions (2018: \$789,230) from the Department of Environment, Land, Water and Planning (DELWP). The Group also received grants of \$0 (2018: \$225,000) from DELWP for the development of the RWRRIIP.

8.8 New Accounting Standards and Interpretations Issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2019 reporting period. Below are the standards applicable to the Group. As at 30 June 2019, the following relevant standards and interpretations had been issued but were not mandatory for financial year ending 30 June 2019. The Group has not and does not intend to adopt these standards early.

Topic ^(a)	Key requirements	Effective date
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	This standard prescribes the accounting treatment of public private partnership (PPP) arrangements involving a private sector operator providing public services related to a service concession asset on behalf of the State, for a specified period of time. For social infrastructure PPP arrangements, this would result in an earlier recognition of financial liabilities progressively over the construction period rather than at completion date. For economic infrastructure PPP arrangements that were previously not on balance sheet, the standard will require recognition of these arrangements on balance sheet.	1 January 2020 ^(b)
AASB 2018-5 <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1 January 2019
AASB 16 <i>Leases</i>	<p>AASB 16 Leases replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.</p> <p>AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).</p> <p>AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.</p> <p>Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>The effective date is for annual reporting periods beginning on or after 1 January 2019. The Department intends to adopt AASB 16 in 2019-20 financial year when it becomes effective. The Group will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.</p> <p>Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. The Group will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).</p> <p>The Group has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:</p> <ul style="list-style-type: none"> • increase in RoU (\$198,045), • increase in related depreciation (\$28,292), • increase in lease liability (\$202,134), • increase in related interest (\$4,307) calculated using effective interest method, and • decrease in rental expense (\$27,947). 	1 January 2019
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2017.	1 January 2019

<i>Topic^(a)</i>	<i>Key requirements</i>	<i>Effective date</i>
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	<p>This standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p> <p>The amendments:</p> <ul style="list-style-type: none"> require non-contractual receivable arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1 January 2019
AASB 2018-4 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors</i>	<p>AASB 2018-4 provides the following guidance:</p> <ul style="list-style-type: none"> matters to consider in distinguishing between a tax and a licence, with all taxes being accounted for under AASB 1058; IP licences are to be accounted for under AASB 15; and non-IP, such as casino licences, are to be accounted for in accordance with the principles of AASB 15, after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16. 	1 January 2019
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<p>This standard will replace AASB 1004 <i>Contributions</i> and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. The restructure of administrative arrangement will remain under AASB 1004.</p>	1 January 2019
AASB 2018-8 <i>Amendments to Australian Accounting Standards – Right of use asset</i>	<p>This standard amends various AASB standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	1 January 2019
AASB 17 <i>Insurance Contracts</i>	<p>The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard does not currently apply to not-for-profit public sector entities. The AASB is undertaking further outreach to determine the applicability of this standard to the not-for-profit public sector.</p>	1 January 2021
AASB 2018-6 <i>Amendments to Australian Accounting Standards – Definition of a Business</i>	<p>This standard amends AASB 3 <i>Business Combinations</i> to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments:</p> <ul style="list-style-type: none"> clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. 	1 January 2020
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	<p>This standard amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. The amendments refine the definition of material in AASB 10 <i>Events after the Reporting Period</i>, include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material. The amendments also clarify the definition of material and its application by improving the wording and aligning the definition across AASB standards and other publications.</p>	1 January 2020

The following accounting pronouncements are also issued but not effective for the 2018-19 reporting period. At this stage, the preliminary assessment suggests they may have insignificant impacts on public sector reporting.

- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation*
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle*
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement*
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements*

Notes:

- (a) For the current year, given the number of consequential amendments to AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes
- (b) The state is intending to early adopt AASB 1059 *Service Concession Arrangements* .

Attestation for Compliance with Ministerial Standing Direction 3.7.1

I, Jill Parker, certify that the Barwon South West Waste and Resource Recovery Group has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes.

The Barwon South West Waste and Resource Recovery Group's Audit and Risk Committee has verified this.

A handwritten signature in black ink, appearing to read 'J Parker', with a large, stylized initial 'J'.

Jill Parker

Chairperson

Barwon South West Waste and Resource Recovery Group

22 August 2019

Disclosure Index

The annual report of the Barwon South West Waste and Resource Recovery Group is prepared in accordance with all relevant Victorian legislations and pronouncements.

This index has been prepared to facilitate identification of the Barwon South West WRRG's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions (FRD)		
Report of Operations		
FRD 22H	Manner of establishment and Minister	7
FRD 22H	Nature and range of services provided	8
FRD 22H	Objectives, functions, powers and duties	9
FRD 22H	Performance Reporting (non-financial)	12 - 22
FRD 22H	Achievements	12 – 13
FRD 22H	Operational Performance	14 - 22
FRD 22H	Key initiatives and projects	23
FRD 22H	Four-year (five-year) financial summary	24
FRD 22H	Significant changes in financial position	26
FRD 22H	Significant changes or factors affecting performance	26
MRO	Disclosure of grants and transfer payments	26 - 27
FRD 22H	Subsequent events	27
FRD 22H	Organisational structure and corporate governance	28
FRD 22H	Governing Board	29 - 31
FRD 22H SD 3.2.1	Audit Committee membership	32
FRD 22H	Board Committees	33 - 36
FRD 22H	Occupational Health and Safety	38
FRD 22H	Employment and Conduct Principles	38
FRD 22H	Public sector values and employment principles	38
FRD 22H	Workforce Data	38 - 39
FRD 22H	Workforce Inclusion Policy	40
FRD 15E	Executive Officer Data	40
FRD 25C	Local Jobs First – Victorian Industry Participation Policy (VIPP)	41
FRD 22H	Government advertising expenditure	41

FRD 22H	Consultancy expenditure	41 - 42
FRD 22H	ICT expenditure	43
FRD 12B	Major contracts	43
FRD 22H	Freedom of Information	43 - 44
FRD 22H	<i>Building Act 1993</i>	44
FRD 22H	Competitive Neutrality Policy	44
FRD 22H <i>Protected Disclosure Act</i>	<i>Protected Disclosure Act 2012</i>	45
<i>Disability Act</i>	<i>Disability Act 2006</i>	45 - 46
FRD 22H <i>Environment Protections Act</i>	Compliance with Establishing Act – <i>Environment Protection Act</i>	46
FRD 24C	Office-based environmental impacts	46 - 47
MRO	DataVic Access Policy	47
FRD 22H	Additional information available on request	47 - 48
Compliance attestation and declaration		
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	79
SD 5.2.3	Responsible Body Declaration	5
SD 5.1.2	Financial management compliance attestation	49

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
Financial Statements		
SD 2.4	Chief Financial Officer (CFO) - expertise and qualifications.	✓
SD 3.2.1	Audit committees – membership & responsibilities	32
SD 5.1.4	Financial management compliance attestation	49
SD 5.2.1(a)	requires an Accountable Officer to ensure the agency's Annual Report is prepared in accordance with the FMA, all relevant Directions and accounting standards.	✓
SD 5.2.1(b)	requires Departments to present their annual report in accordance with the Model Report. ¹	✓
SD 5.2.1(c)	Annual reports must be published on your agency's website.	✓
SD 5.2.2	Declaration in Financial Statements	50
SD 5.2.3	Responsible Body Declaration	5

FRD 10A	Disclosure Index	80 - 82
Other disclosures as required by FRDs in notes to the financial statements ^(a)		
FRD 9A	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	74
FRD 103F	Non-Financial Physical Assets	65
FRD 110A	Cash Flow Statements	59
<p><i>Note:</i></p> <p><i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.</i></p>		
Legislation		
<i>Financial Management Act 1994</i>		5, 49
<i>Environment Protection Act 1970</i>		7, 9, 33, 43, 46
<i>Freedom of Information Act 1982</i>		43 – 44, 47
<i>Building Act 1993</i>		44
<i>Protected Disclosure Act 2012</i>		45
<i>Disability Act 2006</i>		45
<i>Victorian Industry Participation Policy Act 2003</i>		41
<i>Audit Act 1994</i>		50

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