

# Annual Report 2019/2020



Barwon South West  
Waste & Resource  
Recovery Group



Published by the Victorian Government

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# Report of Operations

## Responsible Body's 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 2020.

A handwritten signature in black ink, appearing to read 'J Parker', written in a cursive style.

**Jill Parker OAM**

***Chairperson***

**Barwon South West Waste and Resource Recovery Group**

27 August 2020

## Section 1: Year in Review

### Chair's Report

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

Barwon South West WRRG has continued to work extensively with Council, Industry and the Community to reduce waste and increase resource recovery to deliver economic, environmental and social benefits for the Barwon South West region.

The second half of the year was overshadowed by the Pandemic, causing disruption to all aspects of the Group and its operations as well as to its stakeholders. I am proud of the way the staff adapted to the changing environment, with the majority working remotely and without interruption to their activities and deliverables.



*Image taken February 2019*

The Barwon South West WRRG has established programs to tackle the current issues and further improve the services available. These include the development of the Regional Recycling Action Plan that provides a regional response to the current recycling issues in the region and outlines suitable solutions. The release of the *Recycling Victoria: a new economy* policy provided an exciting opportunity for the WRRGs to assist in the delivery of the 10-year action plan to transform the Victorian recycling sector, reduce waste and create jobs. The array of workshops and forums, including the Victorian State Waste Education Conference in Geelong, presented by the Barwon South West WRRG have been well 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 Board have continued to work positively and effectively and demonstrated strong governance and leadership. It has maintained a good working relationship with management which has contributed to the successful operation of the organisation.

In conclusion, the Board along with Management, are pleased with how Barwon South West WRRG has progressed through this unprecedented time by facilitating and delivering on a range of programs and initiatives to continue to drive behavioural change, and delivering great value and benefits across the Barwon South West region. We are determined to continue to meet the opportunities and challenges ahead in this rapidly changing environment.

**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 (EP Act)*. The responsible Minister for the period from 1 July 2019 to 30 June 2020 was the Honourable 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

## 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.

The Barwon South West Waste and Resource Recovery Group received a new Statement of Expectations 3 June 2020.

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

1. Provide regional, expert support to Victorian Government missions that ensure continuity of waste as an essential service during the COVID-19 pandemic and build on the economic and environmental contribution of the waste and recycling sector during recovery efforts.
2. Work effectively with portfolio agencies to deliver Recycling Victoria: a New Economy. This includes supporting regional delivery and application of the following programs:
  - **Infrastructure planning:** collaborate with Sustainability Victoria to incorporate the Barwon South West Regional Implementation Plan and schedule into a streamlined Victorian Recycling Infrastructure Plan that builds on research by Infrastructure Victoria and includes enhanced risk and contingency planning and integrated land use and transport planning;
  - **Waste Authority:** work collaboratively with the Department of Environment, Land, Water and Planning (DELWP) to support the successful establishment of the Waste Authority;

- **Household recycling reforms:** collaborate with DELWP in its delivery of these reforms, including by working closely with councils on the strategic procurement of municipal waste and recycling services to ensure an orderly transition to new collection and processing arrangements;
  - **Grants that support Victorian businesses, councils and communities:** collaborate effectively with Sustainability Victoria and identify regional strategic priorities and support regional grant applicants; and
  - **Education and behaviour change:** support councils, businesses and communities to deliver statewide campaigns locally.
3. Maximise efficiencies within current financial allocations including through the sharing of services with other waste and resource recovery groups where feasible.
  4. Emerging priorities as identified in consultation with DELWP.

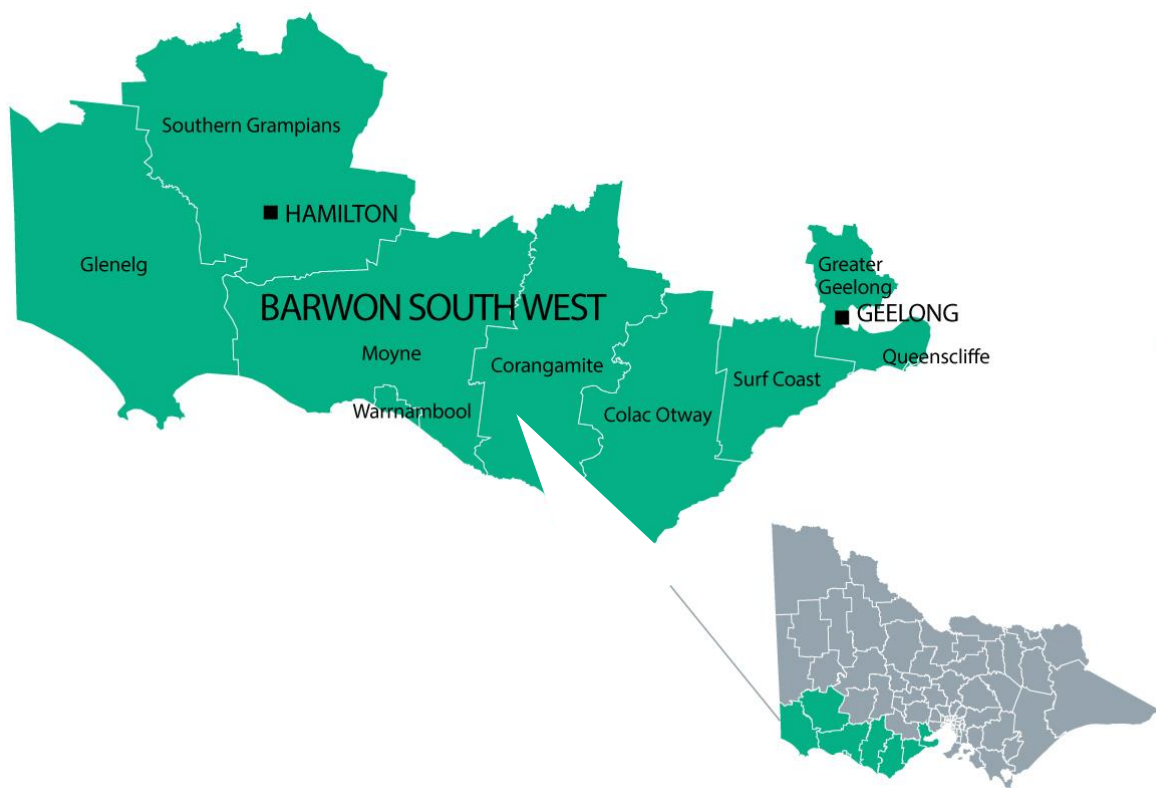
## Barwon South West Region of Victoria

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 Queenscliff, and along the south coast through to the Southern Grampians.

Municipal communities serviced by the Barwon South West WRRG 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 WRRG 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 WRRG Implementation Plan strategic objectives. These include:

- Continuing to deliver on the Barwon South West WRRG Implementation Plan 2017 – 2026
- Facilitation of the Barwon South West Local Government Forum with five events providing professional development opportunities, keynote presentations, site visits, workshops and networking
- Facilitation of the Barwon South West Advisory Reference Group (ARG) with five events
- Successfully delivered the Victorian State Waste Education Conference 2019 (Geelong) with over 200 people in attendance each day for the two-day event and over 50 speakers from Australia, receiving overwhelmingly positive feedback
- Supported and sponsored various events including:
  - RICE Conference 2019 (Geelong)
  - G21 Forum
  - Queenscliff Music Festival
  - Noorat P & A Show
  - Portland Upwelling Festival
  - Piccadilly Christmas Market
  - Casterton P & A Show
  - Koroit Replenish Festival
  - Alternative Transport Workshop – Geelong
  - Sustainable House Day
- Facilitation, project management and implementation of the following programs and key projects including:
  - Commenced projects
    - Optimal Regional Infrastructure Model Project (ORIM)
    - Organics Education Campaign
    - Can Do Communities Campaign (Education)
    - Recycling Education Campaign
    - Love Food Hate Waste Campaign
    - Zero Waste Map
    - Buy Recycled Campaign Project
    - Regional Litter Plan
  - Progressing projects
    - Collaborative Resourcing & Priority Materials Plan
  - Completed projects
    - Regional Recycling Action Plan
    - Closed Landfill Risk Assessments
    - Organics End Market Investigation report
    - Stakeholder Engagement Plan

- Supported councils with:
  - providing key communication messages relating to the release of the *Recycling Victoria* policy;
  - responses to the challenges with recycling in Victoria due to the pandemic situation and SKM Recycling closure;
  - opportunities for infrastructure funding;
- Launching of the first edition of the new e-newsletter
- Led and issued the first Regional Innovation Circular Economy (RICE) newsletter
- Continued expansion of BSWWRRG's 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
- Participating in the Cleantech Innovations Geelong cleantech demonstration and precinct projects (these range across the spectrum of cleantech, i.e. water, energy, waste)

Barwon South West WRRG will continue to provide transformational regional leadership to ensure it meets the expectations of government, communities, councils and business to support the delivery of key reforms and projects that are for the benefit of the community and the environment.



*Image taken October 2019*



*Image taken October 2019*

## 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 on track — 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 outlined in the Regional Education Plan:			✓
a) Can Do Communities Program	1. To establish a program supporting local community resource recovery initiatives	Annual Program (inaugural year)	✓
	2. To implement the program.	In progress	✓
	To allocate grants according to budgeted amount	Total grants not allocated due to COVID-19.	○
b) State Waste Education Conference	As host partner, to conduct the 2019 State Education Conference - Reinventing Waste Education: Turning challenges into opportunities	Complete	✓
c) Regional Litter Plan	To develop a Regional Litter Plan to identify key actions to address local litters issues	Complete	✓
d) Education network	Establish, facilitate and bring like-minded waste	Network engagement	✓

	and resource recovery education providers across the region to knowledge share	achieved and will continue as this is a rolling task. Ongoing	
e) Food Organics and Garden Organics (FOGO) Campaign	Develop and deliver a regional behaviour change campaign that targets households to avoid food waste and reduce the amount of kerbside food waste and garden organics sent to landfill	In progress	○
f) Recycling Campaign	<ol style="list-style-type: none"> <li>1. Develop and deliver a regional behaviour change campaign that targets households to reduce contaminants in the kerbside recycling bin and increase diversion.</li> <li>2. Facilitate behavioural change to reduce waste generation, improve source separation and recovery rates through promoting state and regional recycling education campaigns</li> </ol>	<p>Let's go FOGO resources were developed. Love Food Hate Waste Campaign rolled out.</p> <p>Behaviour recycling trials commenced however were delayed due to COVID-19.</p> <p>In progress</p>	<p>✓</p> <p>○</p>
Regional Education Plan monitoring and evaluation	Extensive education underway	In progress	○
E-waste education and engagement	Facilitate e-waste education and engagement including implementing the E-Waste Implementation Support Grant - Barwon South West E-waste Education Campaign	Complete	✓
Improve and develop the Digital Communications package	a) Website enhancement and implementation	Complete	✓

	b) Develop Social Media Policy and implementation	Complete	✓
	c) Newsletter development and distribution	Complete	✓
Provide communications linkages and messaging to the Local Government Waste Forum, Advisory Reference Group, councils, industry and community including participation in workshops, discussion groups or consultative processes established by State Government		Continued to provide stakeholders with key messaging and information through meetings and communications.  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
Regional Recycling Action Plan development	Actively contribute to the development and implementation of a regional recycling action plan to safeguard services and mitigate risks associated with market variability.	Complete	✓
Regional Recycling Action Plan development	Draw from stakeholders to participate in a number of workshops to arrive at an action plan guiding the capability and viability of recycling in the region	Complete	✓
Organics: support opportunities to increase recovery	1. Support and facilitate the increase in FOGO service provision.	In progress	○

2. Extend data collection work into implementation opportunities for commercial and industrial (C&I) food waste.	In progress	○
3. Promote the Love Food Hate Waste campaign and related initiatives	Complete	✓
Establish and maintain frameworks that support leadership, adaptability and flexibility to manage changing policy, market conditions and resource recovery initiatives and challenges	Complete	✓

**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
Consultative working groups for relevant waste and resource recovery initiatives	Facilitate topic specific consultative working groups and forums to learn and manage relevant waste and resource recovery initiatives	Complete	✓
Organics market development	Investigate and support regional and local organic end use market opportunities	Complete	✓
Innovative e-waste collection and reprocessing opportunities	Investigate, support and work with councils, industry and community to determine e-waste collection improvements and reprocessing opportunities	In progress Collaborative procurement project in place however was delayed due to COVID-19.	○
Contribute to initiatives and events including:		Complete	✓

<b>a) Regional Innovation for a Circular Economy (RICE)</b>	Host an event to raise awareness on the principles and key benefits of a circular economy, create an environment where industry, research, industry groups and government can work collaboratively to innovate solutions to drive the transition to a circular economy		
<b>b) the Renewable Energy roadmap</b>	Contribute to the Barwon South West Renewable Energy Roadmap	Complete	✓
<b>c) other regional partnerships and initiatives</b>		Ongoing	✓
Business Engagement Plan	To develop a plan on how to effectively liaise, engage and communicate with business and industry on waste minimisation and resource recovery; then implement accordingly	Developed as part of stakeholder strategy complete tick – and implementing accordingly	✓
Rethink Your Footprint	Promote and service the Rethink Your Footprint initiative to business to reduce waste and improve their recycling	Ongoing	✓

#### 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
Contribute to initiatives and events including the Green Triangle bio-hub project.		Complete	✓
Collaborative procurement working group	To engage with stakeholders, primarily councils, to facilitate and understand all elements of collaborative procurement in the region and determine relevant opportunities as a consolidated working group	Complete	✓
Collaborative procurement(s) - Identify, plan for and implement where applicable and viable	Work with stakeholders, primarily councils, to facilitate, where appropriate, the planning and implementation of collaborative procurement of recycling services to encourage innovation, aggregate waste volumes and improve economies of scale and cost efficiencies	In progress: e-waste lead (deferred due to COVID-19)	○

#### 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
Contingency Plan (regional) Update	To update the regional contingency plan to ensure the region's waste infrastructure capacity, collected materials and service delivery can continue effective operations with a particular focus on ensuring continuity of recycling services to the greatest extent possible and minimising cost implications in responding to emergencies and market variations that require waste disposal and/or resource recovery	Complete	✓
Waste and Resource Recovery Land Use Planning Assessment for Barwon South West recommendations	To progress and improve the identification and protection of waste and resource recovery facilities in the planning schemes across the region. To guide future interactions and engagement with councils/stakeholders involved in the planning system	Complete	✓
Provide support to councils who develop a Waste Minimisation and Resource Recovery Strategy		Complete	✓
Barwon South West Waste and Resource Recovery Implementation Plan 2017 – 2026 monitoring and evaluation	Deliver on actions Barwon South West Waste and Resource Recovery Implementation Plan, to ensure the current and future waste and resource recovery infrastructure and service needs for the region can be adequately met including monitoring, reviewing and evaluating plan implementation	In progress Ongoing	○
Prepare, promote and transition to the new Environment Protection Amendment Act 2018	Support awareness and understanding towards the implementation of the Environment Protection Amendment Act 2018, Subordinate Legislation and supporting instruments, compliance	Ongoing (deferred due to COVID-19)	✓

	and guidance through preparation, promotion, support and facilitation.		
Funding awareness and opportunities	Specifically promote, guide, support and best position any investment opportunities for infrastructure, improve service delivery, programs and research and development within our region or that directly support our region	Ongoing / Complete	✓
New and changing policy updates	Proactively promote, advise and support, in the most effectively and efficient manner, relevant policies and programs relating to an integrated statewide waste and resource recovery framework	Complete Ongoing	✓
Closed landfills - with risk assessments and the development of rehabilitation management strategies	Extend closed landfill assessment work and provide support to duty holders for closed landfills with risk assessments to be completed and the development of management recommendations for future rehabilitation implementation (if applicable) to best manage risk at these sites	Complete	✓
Continuous Data Sharing protocol implementation	Ensure data integration and sharing occurs at its maximum potential	Complete	✓
Continuous Data Sharing protocol implementation	Data used in all relevant decision-making	Complete	✓
Local Government Waste Forum participation strengthening and role	Continue to advance the capacity and advocacy potential of the Forum to meet its functions, undertake improved planning activities and to progress matters of importance to relevant stakeholders	Ongoing / 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	Complete	✓
	Regular information shared	Ongoing	✓
	State policy outcomes promoted		✓
Liaise with Department of Environment, Land, Water and Planning (DELWP), Sustainability Victoria and the Environment Protection Agency (EPA) to ensure timely and up-to-date information is received in relation to programs, grants and funding opportunities	Achievements celebrated		✓
	Grants and funding opportunities promoted		✓
Provide newsletters and website updates to inform councils and stakeholders of actions of the Barwon South West WRRG	Website Development underway	Website completed and continually updated with relevant content.	✓
Business Continuity Plan	Business Continuity Plan produced and implemented	Complete	✓
Produce a compliant annual report	Annual report produced	Complete	✓
Administer an annual Local Government Program Review	Review completed March 2020.  Future year activities planned and adopted by the LG Forum.	Complete	✓
Local Government Program project management		Complete Ongoing	✓
Stakeholder Engagement Strategy and implementation	Stakeholder Engagement	Complete	✓

	Strategy adopted and implemented		
Strategic Communications Plan and implementation	Strategic Communications Plan developed and implemented	Complete	✓
People and Culture: Organisational Development Program		Complete (limited due to COVID-19)	✓

reduce. recycle.

**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.	✓

A new Statement of Expectations received on 11 June 2020 and will supersede the above and apply from that date forward.

## Key initiatives and projects

The Barwon South West Waste and Resource Recovery Group continued to successfully deliver and carry out several key initiatives and projects throughout the year despite the pandemic disruptions. In a snapshot, some of the key initiatives and projects commenced and progressed in 2019/20 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 and recycling.
- Delivered a successful Victorian Waste Education Conference.
- Assisted businesses and councils in the region to obtain grants in excess of \$180,000.
- Assisted with the organisation and hosting of the Regional Innovation in the Circular Economy "RICE" conference at Waurin Ponds Estate, Deakin University which attracted over 100 attendees.
- Secured funding of \$30,000 from Sustainability Victoria to prepare a litter and illegal dumping plan for the region.
- BSWWRRG was successful in receiving \$50,000 funding from Sustainability Victoria to support Warrnambool Beach Patrol in the delivery of their Better Buds campaign, which aims to reduce plastic stemmed cotton bud litter on Warrnambool beaches.
- Developed a Regional Recycling Action Plan (RRAP) which provides a response to the current recycling issues in the region and reduces the chances of and mitigate the impacts of another recycling crisis or equivalent.
- In partnership with LMWRRG, BSWWRRG was successful in receiving an additional \$50,000 for the development of guide to reduce waste and litter at events.
- Launched the first edition of the new BSWWRRG e-newsletter.
- Launched Can Do Communities program which provides small grants to community led activities on reducing waste and increasing recovery.
- Continued to build BSWWRRG's Social Media presence through channels including Facebook, Twitter and LinkedIn to increase awareness of BSWWRRG's activities and values to key stakeholders, strengthen BSWWRRG's relationships with key stakeholders and support the delivery of BSWWRRG's strategic objectives. The table below gives a summary of activity as at 30 June 2020.

Channel	Followers	Highest reach of one message
Facebook	1650 as at 30/6/20. Increase of 1202 on 30/6/2019	62,209 Feb 24, 2020 Four bin announcement
Twitter	140 as of 30/6/20. Increase of 76 on 30/6/2019	12,720 July 1, 2019 Plastic Free July
LinkedIn	365 as at 30/6/20. Increase of 254 since 30/6/19.	1,926 March 12, 2020 Moyne recycled glass in roads

## 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

	2019/20	2018/19	2017/18	2016/17	2015/16
<i>Core Business Revenue</i>					
Government contributions	826,091	807,211	1,014,230	996,688	1,220,461
Other revenue	317,541	187,370	193,525	67,826	48,293
<b>TOTAL REVENUE</b>	<b>1,143,631</b>	<b>994,581</b>	<b>1,207,755</b>	<b>1,064,514</b>	<b>1,268,754</b>
<i>Administration</i>					
Corporate Expenditure	814,005	660,727	561,888	585,304	603,839
Project Expenditure	511,885	475,264	333,513	299,670	254,140
<b>TOTAL EXPENDITURE</b>	<b>1,325,891</b>	<b>1,135,991</b>	<b>895,401</b>	<b>884,974</b>	<b>857,979</b>
<i>Net Operating Result</i>	<i>(182,259)</i>	<i>(141,410)</i>	<i>312,354</i>	<i>179,540</i>	<i>410,775</i>
<i>Net Cash Flow from Operations</i>	<i>(161,910)</i>	<i>(378)</i>	<i>338,553</i>	<i>274,015</i>	<i>231,561</i>
<b>Current Assets</b>	<b>1,396,326</b>	<b>1,590,640</b>	<b>1,621,670</b>	<b>1,312,841</b>	<b>1,046,162</b>
<b>Non-Current Assets</b>	<b>275,262</b>	<b>111,970</b>	<b>72,669</b>	<b>35,554</b>	<b>43,820</b>
<b>TOTAL ASSETS</b>	<b>1,671,588</b>	<b>1,702,610</b>	<b>1,694,339</b>	<b>1,348,395</b>	<b>1,089,982</b>
<b>Current Liabilities</b>	<b>361,316</b>	<b>359,929</b>	<b>248,544</b>	<b>222,457</b>	<b>134,654</b>
<b>Non-Current Liabilities</b>	<b>260,697</b>	<b>107,083</b>	<b>68,787</b>	<b>61,303</b>	<b>70,233</b>
<b>TOTAL LIABILITIES</b>	<b>622,013</b>	<b>467,012</b>	<b>317,331</b>	<b>283,760</b>	<b>204,887</b>
<b>Net Assets</b>	<b>1,049,575</b>	<b>1,235,598</b>	<b>1,377,008</b>	<b>1,064,635</b>	<b>885,095</b>

Comprehensive operating statement for the financial year ended 30 June					
	Actual	Budget	Variance \$	Variance %	Commentary
<b>Income from transactions</b>					
Landfill levy revenue	\$826,091	\$826,091	(\$0)	0.0%	Variance due to deferred activities; surplus has been re-allocated to FY20/21 Additional Grants awarded Higher interest income reflects the deferred expenditures resulting in higher cash balances.
Local Government Program	\$142,822	\$256,322	(\$113,500)	-44.3%	
Other Project Funding	\$154,916	\$120,000	\$34,916	29.1%	
Interest	\$16,114	\$15,000	\$1,114	7.4%	
Other income	\$100	\$0	\$100	0.0%	
<b>Total income from transactions</b>	<b>\$1,140,042</b>	<b>\$1,217,413</b>	<b>-\$77,371</b>	<b>-6.4%</b>	
<b>Expenses from transactions</b>					
Employee expenses	\$730,460	\$734,619	(\$4,159)	-0.6%	The majority of the variance is related to deferred LG Program expenditures; there were additional flow-on variances in related consulting activities
Depreciation	\$62,849	\$63,777	(\$928)	-1.5%	
Audit fees	\$28,900	\$28,400	\$500	1.8%	
Other operating expenses	\$503,682	\$665,896	(\$162,214)	-24.4%	
<b>Total expenses from transactions</b>	<b>\$1,325,891</b>	<b>\$1,492,692</b>	<b>(\$166,801)</b>	<b>-11.2%</b>	
<b>Net result from transactions (net operating balance)</b>	<b>(\$185,848)</b>	<b>(\$275,279)</b>	<b>\$89,431</b>	<b>-32.5%</b>	
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	\$3,589	\$0	\$3,589	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%	
<b>Total other economic flows included in net result</b>	<b>\$3,589</b>	<b>\$0</b>	<b>\$3,589</b>	<b>100.0%</b>	
<b>Net result</b>	<b>(\$182,259)</b>	<b>(\$275,279)</b>	<b>\$93,020</b>	<b>-33.8%</b>	
<b>Comprehensive result</b>	<b>(\$182,259)</b>	<b>(\$275,279)</b>	<b>\$93,020</b>	<b>-33.8%</b>	

## Current year financial review

The Barwon South West Waste and Resource Recovery Group's operations resulted in a net loss of \$182,259 for FY2019/20, which is \$93,020 more favourable than budgeted. The significant variance is related to additional grants received during the financial year as well as less consulting services engaged solely for Group operations. The latter expenditures were more heavily weighted towards Local Government projects as well as Grant-related projects. It was further impacted by the Covid-19 limits on public activities which delayed previously scheduled meetings and events.

The Local Government Program operated at a surplus of \$113,918 due to the deferral of activities in FY2019/20. All of this variance has been re-allocated to the FY2020/21.

The current year's deficit was planned by the Group as previous years have operated at a surplus due to deferred projects.

## Significant changes in financial position

Cash balances further increased during FY2019/20 in relation to the decrease in term deposits. The interest rates on term deposits fell substantially during the financial year; consequently, the investments maturing in the fourth quarter have not been reinvested. These funds will be held in the operating account until such time the difference between the rates earned on that account and the market rates warrant such further investment. Fixed assets increased significantly due to the application of AASB 16 which recognises a right-of-use asset and a lease liability at the lease commencement date. The Local Government Program noteworthy variance was due to deferred activities with surplus re-allocated to FY2020/21.

## Significant changes or factors affecting performance

Nil

## Subsequent events

Consideration has been made by the Group on the potential financial impact of COVID-19 due to the current and potentially ongoing restrictions within the state of Victoria. The Group has been able to adapt the majority of its activities to accommodate the restrictions on public gatherings and work settings and there has been no reduction in the staff levels required. Consequently, there have been no material changes made in the Group's accounting estimates, nor has there been any uncertainty regarding the impairment of non-financial assets.

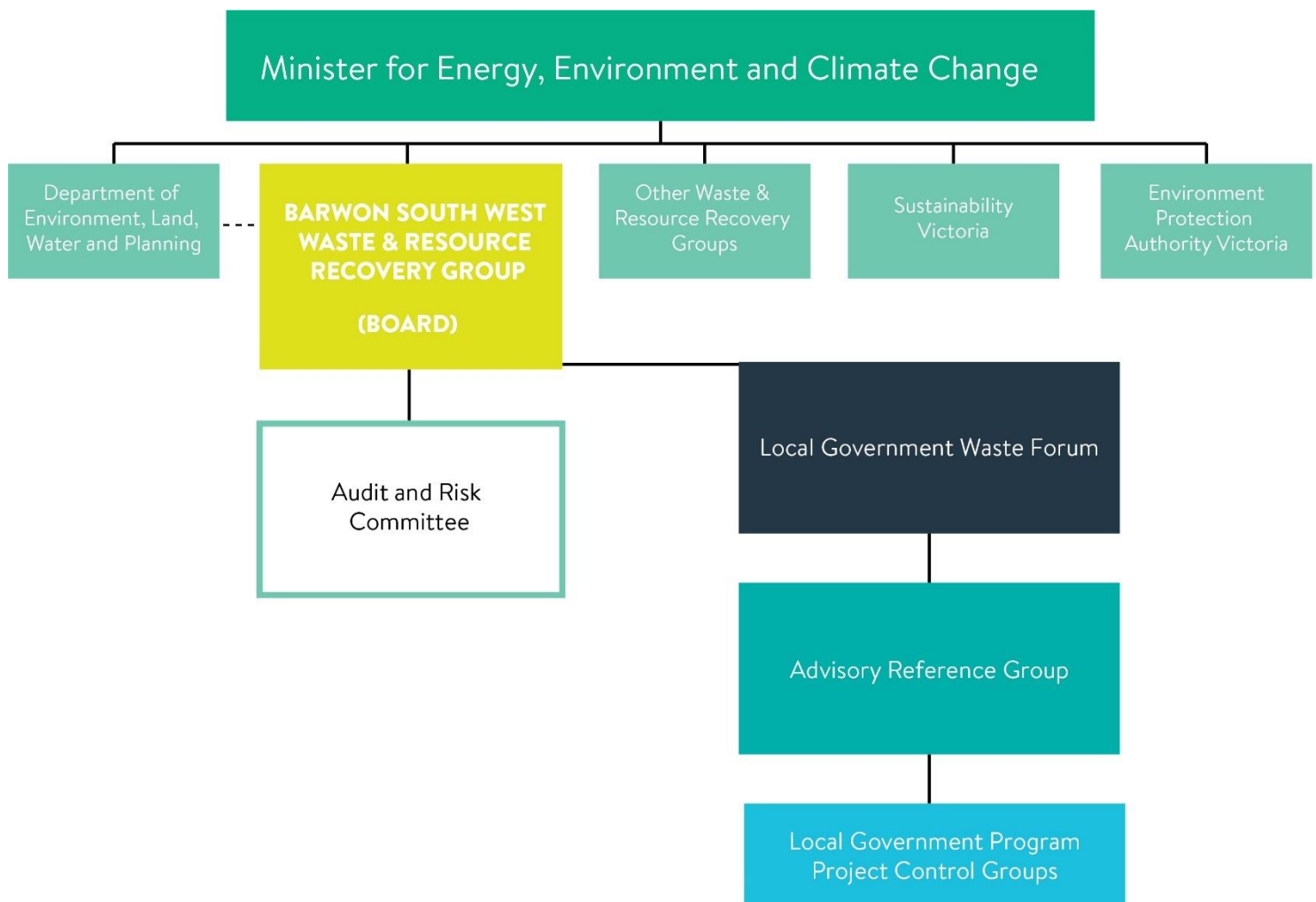
## Section 2: Governance and Organisational Structure

### 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 WRRG 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;
- Assisting to develop and maintain positive relations among the Board, committees, staff, stakeholders and the community to enhance the organisation's purpose; and
- Work on behalf of the Minister with the nine councils in the Barwon South West, the Victorian Government environment portfolio DELWP, Sustainability Victoria and Environment Protection Authority and the regional waste and resource recovery groups, industry, business and the community to plan, facilitate and deliver an integrated and sustainable waste and resource recovery system.

## Board Directors



**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.

*NB. All images displayed were taken February 2019 except for Mr. Lindsay Merritt's image which was taken June 2015*

Name	Role	Selection	Term of appointment for 2019 / 2020
<b>Cr. Jill Parker OAM</b>	Chair	Forum Nominated - Moyne Shire Council	1 July 2019 to 30 June 2020
<b>Cr. David Bell</b>	Deputy Chair	Forum Nominated - Surf Coast Shire Council	1 July 2019 to 30 June 2020
<b>Ms. Mary Bignell</b>	Director	General Member	1 July 2019 to 30 June 2020
<b>Ms. Tara Halliday</b>	Director	General Member	1 July 2019 to 30 June 2020
<b>Cr. Bruce Harwood</b>	Director	Forum Nominated - City of Greater Geelong	1 July 2019 to 30 June 2020
<b>Mr. Lindsay Merritt</b>	Director	General Member	1 July 2019 to 30 June 2020
<b>Ms. Nicole Sexton</b>	Director	General Member	1 July 2019 to 30 June 2020
<b>Cr. Neil Trotter</b>	Director	Forum Nominated - Corangamite Shire Council	1 July 2019 to 30 June 2020

### *Board Meeting Dates*

#### **Meeting Dates**

22 August 2019	27 February 2020
24 October 2019	23 April 2020
12 December 2019	25 June 2020

3 Out of session reports (August 2019, March 2020, May 2020)

### *Director Attendance for 2019/20 Board Meetings*

Name	Attendance	Eligible for attendance
<b>Cr. Jill Parker</b>	6	6
<b>Cr. David Bell</b>	6	6
<b>Ms. Mary Bignell</b>	5 <sup>1</sup>	6
<b>Ms. Tara Halliday</b>	6	6
<b>Cr. Bruce Harwood</b>	6	6
<b>Mr. Lindsay Merritt</b>	6	6
<b>Ms. Nicole Sexton</b>	6	6
<b>Cr. Neil Trotter</b>	6	6

<sup>1</sup> Ms. Mary Bignell was on leave for the one meeting she did not attend.

## 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.

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 2019 -20 are detailed in the table below. The Audit and Risk Committee welcomed Ms. Mary Bignell, whom is a Board Director with Barwon South West Waste and Resource Recovery Group, as an observer in February 2020.

Meetings are held bi-monthly and at any other time on request of a committee member or the internal or external auditor. In 2019-20, the committee met seven times. Attendance of committee members is detailed in the table below.

### Meeting Dates

15 August 2019	9 April 2020
10 October 2019	11 June 2020
12 December 2019	19 June 2020 (special meeting)
6 February 2020	1 Out of session report (February 2020)

### Attendance for 2019/20 Audit and Risk Committee Meetings

Name	Role	Independent	Term	Attended	Eligible for attendance
Mr. Paul Robson	Chair	✓	1 July 2019 to 30 June 2020	7	7
Cr. Jill Parker	Member		1 July 2019 to 30 June 2020	7	7
Cr. David Bell	Member		1 July 2019 to 30 June 2020	7	7
Mr. Lindsay Merritt	Member		1 July 2019 to 30 June 2020	6	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 member representative (usually a councillor) from each of the nine stakeholder councils with attendance supported by officers who have an advisory role. 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**

18 July 2019	19 March 2020
19 September 2019 (Workshop)	14 May 2020
21 November 2019	

## Members of the Local Government Waste Forum:

### Representatives / Advisory Members

LOCAL GOVERNMENT WASTE FORUM REPRESENTATIVES			
Given name	Surname	Organisation	Attendance
Cr. Katrina (Chair)	Rainsford <sup>2</sup>	Southern Grampians Shire Council	4
VACANT		Borough of Queenscliffe	-
Cr. Bruce	Harwood	City of Greater Geelong	2
Cr. Kate	Hanson	Colac Otway Shire Council	2
Cr. Ruth	Gstrein <sup>3</sup>	Corangamite Shire Council	0
Cr. Helen	Durant <sup>4</sup>	Corangamite Shire Council	1
Cr. Robert	Halliday	Glenelg Shire Council	3
Cr. Jill	Parker <sup>5</sup>	Moyne Shire Council	4
Cr. Ian	Smith <sup>6</sup>	Moyne Shire Council	0
Cr. David	Bell	Surf Coast Shire Council	4
Cr. David	Owen	Warrnambool City Council	0

LOCAL GOVERNMENT WASTE FORUM ADVISORY MEMBERS			
Given name	Surname	Organisation	Attendance
Stuart	Hansen	Borough of Queenscliffe	3
Guy	Wilson-Browne	City of Greater Geelong	1
Rodney	Thomas	City of Greater Geelong	1
Agnes	Tong	City of Greater Geelong	4
Simone	Robertson	Colac Otway Shire Council	4
Frank	Castles <sup>7</sup>	Colac Otway Shire Council	0
Tony	McGann	Colac Otway Shire Council	0
Lyall	Bond	Corangamite Shire Council	1
Anthony	Dufty	Corangamite Shire Council	2
Jess	Maxwell	Corangamite Shire Council	0
Michael	Doherty	Glenelg Shire Council	2
Damon	Barclay	Glenelg Shire Council	3
Paula	Tovey <sup>8</sup>	Moyne Shire Council	1

<sup>2</sup> Cr. Katrina Rainsford was re-elected as Chair for 2019/20

<sup>3</sup> Cr. Helen Durant was elected as the Corangamite Shire representative for 2020 replacing Cr Ruth Gstrein

<sup>4</sup> Cr. Helen Durant was elected as the Corangamite Shire representative for 2020 replacing Cr Ruth Gstrein

<sup>5</sup> Cr. Ian Smith was elected as the Moyne Shire representative for 2020 replacing Cr. Jill Parker

<sup>6</sup> Cr. Ian Smith was elected as the Moyne Shire representative for 2020 replacing Cr. Jill Parker

<sup>7</sup> Frank Castles moved roles at Colac Otway Shire Council April 2020 and ceased his Forum representation

<sup>8</sup> Paula Tovey departed Moyne Shire June 2020

Kane	Church <sup>9</sup>	Moyne Shire Council	2
Sam	Rudolph <sup>10</sup>	Moyne Shire Council	0
Jordan	Byrne	Moyne Shire Council	2
David	Moloney	Southern Grampians Shire Council	2
Kylie	McIntyre	Southern Grampians Shire Council	0
Rod	Van de Hoef <sup>11</sup>	Southern Grampians Shire Council	0
Neil	Brewster	Surf Coast Shire Council	4
Sally	Sneddon	Surf Coast Shire Council	2
Ian	Stewart	Surf Coast Shire Council	0
Kate	McInnes	Warrnambool City Council	3
Glen	Reddick	Warrnambool City Council	0
Lauren	Schneider	Warrnambool City Council	0
Juan	Donis	Warrnambool City Council	1

### 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.

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<sup>9</sup> Kane Church replaced Sam Rudolph for Moyne Shire in November 2019

<sup>10</sup> Sam Rudolph departed Moyne Shire September 2019

<sup>11</sup> Rod Van de Hoef departed Southern Grampians Shire January 2020

## Barwon South West Local Government Program

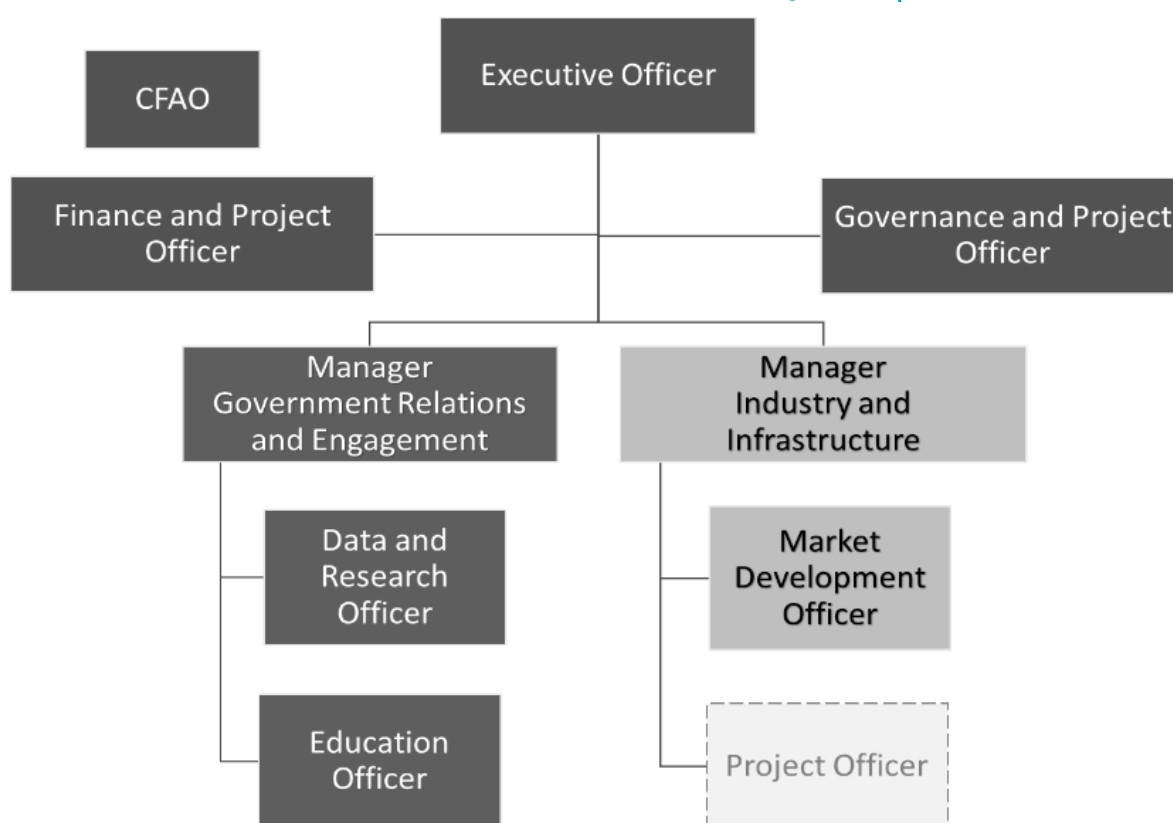
The Barwon South West Local Government Program (LG Program) is an initiative of the LG Forum. During the last 12 months, a number of significant projects have been commenced and completed that bring great benefit to the Barwon South West region.

Through an annual planning process, the LG Forum develops a list of projects for inclusion in the Program. Projects must provide joint benefit to participating councils and meet the LG Forum's funding guidelines. Some of the projects for 2019/20 included:

1. Organics End Market Investigation Report which identifies potential market opportunities for organics in the region to encourage industry investment.
2. Continued implementation of the Regional Waste and Resource Recovery Engagement/Education Plan including the launch of the Can Do Communities program, a small grants for community led waste reduction initiative, development of an Zero Waste map for the region which lists regional resources, organisations and businesses who support the community to reduce their waste, and educational infographics about what it is in the region's kerbside bins and how to reduce waste and contamination
3. Regional delivery of Sustainability Victoria's advertising and printing of resources for the Love Food Hate Waste campaign which aims to prevent household food waste.
4. Commenced participation in a behaviour change trial to test interventions that aim to reduce contamination in kerbside recycling bins. These trial will be used to information delivery of council education campaigns.
5. Food organics garden organics (FOGO) education campaign (rebranding of the Let's Go FOGO program), including developing a series of resources (i.e. flyers, branding) that councils can use to education residents on using their FOGO bin.
6. Closed Landfill Risk Assessments which identified council-operated closed landfills in the region with risk assessments undertaken on higher priority sites and risk mitigation actions identified for each site.

LG Program projects are funded by contributions from participating councils. Additional external funding is sourced where possible, to value add to the LG Program projects. 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 2019/20 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 <i>(until 3 December 2019)</i>	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 Victorian Public Service 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 2019/20 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 six staff (5.2 full time equivalent) on 30 June 2020 which is lower than this time in 2019.

The proportion of women was 67% on 30 June 2020, which is higher than at 30 June 2019 due to the departure of a male employee throughout the financial year.

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.

	2019/20		2018/19	
Classification	Number (headcount)	FTE	Number (headcount)	FTE
Executive officer	1	1.0	1	1.0
Senior managers	2	2.0	2	2.0
Administration / Field staff	3	2.2	4	2.8
<b>Total</b>			<b>7</b>	<b>5.8</b>
Male	3	2.4	3	2.4
Female	4	3.4	4	3.4
Self-described	n	n	n	n
<b>Total</b>	<b>7</b>	<b>5.8</b>	<b>7</b>	<b>5.8</b>
Age 15 - 24	0		0	
25 - 34	1		2	
35 - 44	3		2	
45 - 54	2		3	
55 - 64			0	
65+			0	
<b>Total</b>	<b>6</b>		<b>7</b>	

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

Senior managers mean Band 5+

Administration/Field staff means Band 3 - 4

## 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 2019/20, 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 2019/20, there were eleven consultancies engaged during the year. The total expenditure incurred during 2019/20 in relation to these consultancies was \$213,410 (excl. GST).

Details of individual consultancies valued at \$10,000 or higher are outlined on Barwon South West Waste and Resource Recovery Group's website.

Details of individual consultancies are outlined below:

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2019/20 (excl. GST)	Future expenditure (excl. GST)
Village Green Enterprises Pty Ltd	Business Development	February 2019	July 2019	\$6,466	\$1,444	Nil

Environmental Evolution	Regional Litter Plan	August 2019	October 2019	\$29,830	\$32,300	NIL
G2 Innovations Pty Ltd	Regional Innovation for a Circular Economy Conference	August 2019	August 2019	\$3,000	\$3,000	Nil
Nation Partners	Regional Recycling Action Plan	August 2019	February 2020	\$59,420	\$59,420	Nil
EHS Support	Closed Landfill Risk Assessment	August 2019	2020	\$80,000	\$85,248 *includes variations	* Further variations still to follow
Matrix On Board Training	LG Forum Workshop facilitation	September 2019	October 2019	\$3,449	\$3,449	NIL
Blue Environment	Organics End Market	May 2019	February 2020	\$24,990	\$14,490	NIL
Media Masters	Education Plan marketing	February 2020	March 2020	\$120	\$120	NIL
Paul Kelly Creative	Graphic Design	November 2018	Ongoing	\$5,800	\$5,800	Included in 2020/21 budget
Rawtec	E-waste Joint Procurement	July 2019	2021	\$15,406	\$15,406	NIL
Kismet Forward	Business Planning	February 2020	March 2020	\$4,750	\$4,750	NIL

*When determining if a service provider is a consultant, it is important to consider the primary purpose of the engagement (and not what they call themselves). The main factor that distinguishes a consultant from other types of contractors is the predominantly advisory nature of the work.*

## Information and Communication Technology (ICT) expenditure

For the 2019/20 reporting period, the Barwon South West Waste and Resource Recovery Group had a total ICT expenditure of \$31,757 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)	\$29,721	\$2,036

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.

## 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)*. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act. 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. The Act allows [Agency name] to refuse access, either fully or partially, to certain documents or information. For the 12 months ending 30 June 2020, the Barwon South West Waste and Resource Recovery Group did not receive any requests or applications under the *FOI Act 1982*.

### *Making a request:*

FOI requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

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](http://www.ovic.vic.gov.au)

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.foi.vic.gov.au](http://www.foi.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.

Information about the Competition Neutrality is available from the Office of the Commissioner for Better Regulation's website (<https://www.vic.gov.au/better-regulation-victoria>).

## Compliance with the *Public Interest Disclosures Act 2012*

The Public Interest Disclosures Act 2012 (PID Act) enables people to make a disclosure about 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 PID Act.

### *What is a public interest disclosure?*

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

The Barwon South West Waste and Resource Recovery Group does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Barwon South West Waste and Resource Recovery Group will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### *How do I make a Protected Disclosure?*

You can make a protected disclosure about Barwon South West Waste and Resource Recovery Group 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](http://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](http://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.

#### Disclosures under the Protected Disclosure Act 2012

	2019-20 number	2018-19 number
The number of disclosures made by an individual to the Barwon South West Waste and Resource Recovery Group and notified to the Independent Broad-based Anti-corruption Commission	0	0
Assessable disclosures	0	0

### 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	2019/20	2018/19	2017/18
Energy	Use Total	Kilowatt hours	4,215	4,587	4,085
Gas	Use Total	Mega joules	0	0	0
Water	Consumption Total	Kilolitres	16	15	12
Paper	Total	Reams	25	24	33
	Total Use (100% recycled)	Reams	25	24	33
Transportation	Total Interstate Travel	Flight kilometres	6,846	6,720	3,360
		Use of public transport where possible for all meetings in Melbourne Teleconferencing use where possible to minimise travel			

### 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) A statement that declarations of pecuniary interests have been duly completed by all relevant officer

- b) Details of publications produced by the Barwon South West Waste and Resource Recovery Group about itself, and how these can be obtained
- c) Details of any major reviews carried out in respect of the operation of the Barwon South West Waste and Resource Recovery Group
- d) 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](mailto: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).

## Attestation for financial management compliance with Standing Direction 5.1.4

I, Jill Parker, on behalf of the Responsible Body, certify that the Barwon South West Waste and Resource Recovery Group has no Material Compliance Deficiency with respect to the applicable Standing Directions 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

27 August 2020

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

## Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2020

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 2020 and financial position of the Group at 30 June 2020.

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.

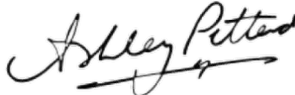
We authorise the attached financial statements for issue on 27 August 2020.



C Crowder

Chief Finance and Accounting Officer  
Barwon South West WRRG

Geelong  
27 August 2020



A Pittard

Executive Officer  
Barwon South West WRRG

Geelong  
27 August 2020



J Parker

Chairperson  
Barwon South West WRRG

Geelong  
27 August 2020

# Independent Auditor's Report

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

<b>Opinion</b>	<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"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Accountable Officer's and Chief Finance and Accounting Officer's declaration.</li> </ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 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>
<b>Basis for Opinion</b>	<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>
<b>Board's responsibilities for the financial report</b>	<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  
7 September 2020



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 2020

## 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 2020 in the following structure to provide users with the information about the Group's stewardship of resources entrusted to it.

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# Comprehensive Operating Statement

## Barwon South West Waste & Resource Recovery Group For the year ended 30 June 2020

	NOTES	2020	2019
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Contributions	2	969,012	954,279
Grants	2	154,916	7,500
Other Revenue		16,114	28,872
Total Income from transactions		1,140,042	990,651
<b>Expenses from transactions</b>			
Employee Expenses	3	730,460	711,825
Depreciation Expense	4	62,849	35,223
Interest Expense	6	10,230	3,143
Other Operating Expenses	3	522,351	385,800
Total Expenses from transactions		1,325,890	1,135,991
Net result from transactions		(185,848)	(145,340)
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets (on disposal)	4, 8	3,589	3,930
Net gain/(loss) on financial instruments		-	-
Total Other economic flows included in net result		-	-
Net Result for the Year		(182,259)	(141,410)
Net Result and Total Comprehensive Income for the Year		(182,259)	(141,410)

The accompanying notes form part of this financial statement

# Balance Sheet

## Barwon South West Waste & Resource Recovery Group As at 30 June 2020

	NOTES	2020	2019
<b>Assets</b>			
<u>Current Assets</u>			
Cash and Cash Equivalents	6	945,198	525,257
Receivables	5	237,556	209,269
Other Financial Assets	6	200,000	830,000
Other Non-financial Assets	5	13,572	26,114
Total Current Assets		1,396,326	1,590,640
<u>Non-current Assets</u>			
Property, Plant and Equipment	4	275,262	111,970
Total Non-current assets		275,262	111,970
Total Assets		1,671,588	1,702,610
<b>Liabilities</b>			
<u>Current Liabilities</u>			
Payables	5	58,018	48,290
Unearned/Prepaid Income	5	169,188	213,273
Interest Bearing Liabilities – Current portion	6	44,309	17,709
Employee Related Provisions	3	89,801	80,657
Total Current Liabilities		361,316	359,929
<u>Non-current Liabilities</u>			
Unearned/Prepaid Income	5	9,451	17,950
Interest Bearing Liabilities – Non-current portion	6	229,921	78,356
Employee Related Provisions	3	21,325	10,777
Total Non-current Liabilities		260,697	107,083
Total Liabilities		622,013	467,012
Net Assets		1,049,575	1,235,598
<b>Equity</b>			
Accumulated Surplus		791,277	977,300
Contributed Capital		258,298	258,298
Total Equity		1,049,575	1,235,598

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 2020

	Contributed Capital	Accumulated Surplus	Total
	\$	\$	\$
Balance at 1 July 2018	258,298	1,118,710	1,377,008
Net result for the year	-	(141,410)	(141,410)
<b>Balance at 30 June 2019</b>	<b>258,298</b>	<b>977,300</b>	<b>1,235,598</b>
Net result for the year	-	(182,259)	(182,259)
Right of Use Buildings Revaluation		(3,764)	(3,764)
<b>Balance at 30 June 2020</b>	<b>258,298</b>	<b>791,277</b>	<b>1,049,575</b>

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 2020

	NOTES	2020	2019
<b>Cash flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from government		821,368	806,291
Receipts from other entities		260,446	250,862
Interest received		16,114	28,872
Net GST received		38,476	24,520
Total Receipts		1,136,404	1,110,545
<b>Payments</b>			
Payments to suppliers and employees		(1,288,084)	(1,107,780)
Interest and other costs of finance paid		(10,230)	(3,143)
Total Payments		(1,298,314)	(1,110,923)
<b>Net cash flows from / (used in) operating activities</b>	<b>6</b>	<b>(161,910)</b>	<b>(378)</b>
<b>Cash flows from Investing Activities</b>			
Payment for property, plant and equipment		(3,338)	(19,785)
Payments for investments		(500,000)	(980,000)
Proceeds from sale of investments		1,130,000	900,000
<b>Net cash flows from / (used in) investing activities</b>		<b>626,662</b>	<b>(99,785)</b>
<b>Cash flows from Financing Activities</b>			
Repayment of borrowings and finance leases		(44,811)	(22,938)
<b>Net cash flows from / (used in) financing activities</b>		<b>(44,811)</b>	<b>(22,938)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>419,941</b>	<b>(123,101)</b>
Cash and cash equivalents at the beginning of the financial year		525,257	648,358
Cash and cash equivalents at the end of the financial year	<b>6</b>	<b>945,198</b>	<b>525,257</b>

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 2020

### 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 2020 and 2019.

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 (RWRRIIP). 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 2020 and 2019.

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.

Consideration has been made by the Group on the potential financial impact of COVID-19 due to the current and potentially ongoing restrictions within the state of Victoria. The Group has been able to adapt the majority of its activities to accommodate the restrictions on public gatherings and work settings and there has been no reduction in the staff levels required. Consequently, there have been no material changes made in the Group's accounting estimates, nor has there been any uncertainty regarding the impairment of non-financial assets.

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 27 August 2020.

## 2. FUNDING DELIVERY OF OUR SERVICES

	2020	2019
<b>2.1 Summary of income that funds the delivery of our services</b>		
<b>(a) Contributions</b>		
Landfill levy distribution - from DELWP	826,091	807,211
Local Government Forum Contributions	142,921	147,068
Total (a) Contributions	969,012	954,279
<b>(b) Grants</b>		
Other Grants	154,916	7,500
Total (b) Grants	154,916	7,500
Total Summary of income that funds the delivery of our services	1,123,928	961,779

### 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 2020, the Group received \$113,377 (exclusive of GST) of contributions from eight of 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.

	2020	2019
<b>3.1 Expenses incurred in the delivery of services</b>		
<u>(a) Employee Expenses in Comprehensive Operating Statement</u>		
Superannuation expense	58,515	54,558
Salaries and wages, annual leave, long service leave and workers comp	671,945	657,267
Total (a) Employee Expenses	730,460	711,825
<u>(b) Other operating expenses</u>		
<u>Supplies and services</u>		
Purchase of consumables	3,647	2,912
Purchase of services (Note 3.4)	508,587	345,336
Maintenance	1,442	1,304
Total Supplies and services	513,676	349,552
<u>Operating lease rental expenses</u>		
Lease Payments	8,675	36,248
Total Operating lease rental expenses	8,675	36,248
Total (b) Other operating expenses	522,351	385,800
Total Expenses incurred in the delivery of services	1,252,811	1,097,625

#### 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

<b>Current Provisions</b>		
<b>Annual Leave</b>		
Unconditional and expected to be settled within 12 months	32,696	30,434
Total Annual Leave	32,696	30,434
<b>Long Service Leave</b>		
Unconditional and expected to be settled within 12 months	8,234	7,230
Unconditional and expected to be settled after 12 months	35,700	30,995
Total Long Service Leave	43,934	38,225
<b>Provisions for On-costs</b>		
Unconditional and expected to be settled within 12 months	9,642	8,932
Unconditional and expected to be settled after 12 months	3,529	3,066
Total Provisions for on-costs	13,171	11,998
Total Current Provisions	89,801	80,657
<b>Non Current Provisions</b>		
Employee benefits	19,406	9,807
On-Costs	1,919	970
Total Non Current Provisions	21,325	10,777
Total Employee Benefits in the Balance Sheet	111,125	91,434

#### (a) Movement in On-cost Provisions

Opening Balance	12,968	4,075
Additional provisions recognised	12,940	13,317
Reductions arising from payments/other sacrifices of future economic benefits	(10,929)	(4,669)
Unwind of discount and effect of changes in the discount rate	110	245
Closing balance	15,089	12,968

### 3.3 Superannuation and Contributions

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

There were \$15,622 and \$15,806 contributions outstanding as of 30 June 2020 and 2019, 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 2020 and 2019, this was 9.5% required under Superannuation Guarantee legislation).

### 3.4 Purchase of Services

	2020	2019
<b>Purchase of Services</b>		
Professional Services	52,229	48,846
Consultancy Services	208,661	130,191
Travel and Related Expenses	24,606	32,684
Audit Services	28,900	28,150
Information Communication Technology Services	26,075	18,537
Business Operating Expenses	12,754	16,103
Motor Vehicle Expenses	19,187	2,336
Staff Related Expense	16,172	15,342
Insurance Expense	8,964	9,618
Office Supplies and Consumables	2,978	4,256
Marketing and Media	97,530	30,569
Other Occupancy Expenses	6,951	7,149
Other Expenses	3,580	1,555
<b>Total Purchase of Services</b>	<b>508,587</b>	<b>345,336</b>

## 4. MAJOR ASSETS AND INVESTMENTS

### 4.1 Property, Plant and Equipment

	2020	2019
<b>4.1.1 Classes of Property, Plant and Equipment</b>		
<b>Motor Vehicles</b>		
Motor Vehicles at Fair Value	120,109	109,482
Less: Accumulated Depreciation	(25,480)	(20,160)
<b>Total Motor Vehicles</b>	<b>94,629</b>	<b>89,322</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	48,606	45,268
Less: Accumulated Depreciation	(32,953)	(22,620)
<b>Total Plant and Equipment</b>	<b>15,653</b>	<b>22,648</b>
<b>Right of Use Buildings</b>		
Right of Use Buildings at Fair Value	188,548	45,268
Less: Accumulated Depreciation	(23,568)	(22,620)
<b>Total Right of Use Buildings</b>	<b>164,980</b>	<b>22,648</b>
<b>Total Classes of property, plant and equipment</b>	<b>275,262</b>	<b>111,970</b>

#### **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.

AASB 16 Leases has been applied for the first time from 1 July 2019. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date less any lease incentive received; plus
- Any initial direct costs incurred; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

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.

<b>ASSET CLASS</b>	<b>YEARS</b>
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.

	2020	2019
<b>Net gain/(loss) on non-financial assets</b>		
Net gain on disposal of property plant and equipment	3,589	3,930
Total Net gain/(loss) on non-financial assets	3,589	3,930

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

	Buildings	Plant and Equipment	Motor Vehicles	Total
<b>Balance as of 30 June 2018</b>	-	<b>10,825</b>	<b>61,844</b>	<b>72,669</b>
Acquisition 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>
<b>Balance as of 30 June 2019</b>	-	<b>22,648</b>	<b>89,322</b>	<b>111,970</b>
Acquisitions of assets	-	3,337	62,426	65,763
Adjustment on transition to AASB 16	188,548			188,548
WDV of disposals	-	-	(28,170)	(28,170)
Depreciation	<u>(23,569)</u>	<u>(10,332)</u>	<u>(28,948)</u>	<u>(62,849)</u>
<b>Balance as of 30 June 2020</b>	<b>164,979</b>	<b>15,653</b>	<b>94,629</b>	<b>275,262</b>

## 5 OTHER ASSETS AND LIABILITIES

2020 2019

### 5.1 Receivables

Current

Contractual

Trade Debtors	237,556	209,269
Total Contractual	237,556	209,269
Total Current	237,556	209,269
Total Receivables	237,556	209,269

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 2020, trade receivables do not contain impaired assets and are not past due.

## 5.2 Other Non-Financial Assets

<u>Current other assets</u>		
Prepayments	13,572	26,114
Total Current other assets	13,572	26,114
Total Other Non-Financial Assets	13,572	26,114

### 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

### 5.3.1 Payables

<u>Current</u>		
<u>Contractual</u>		
Supplies and Services	23,578	15,297
Other Payables	15,622	15,806
Unearned/Prepaid Income	169,188	213,273
Total Contractual	208,388	244,376
<u>Statutory</u>		
PAYG Withholding Liability	20,024	18,722
Goods and Service Tax	(4,920)	(6,137)
Fringe Benefit Tax	3,713	4,602
Total Statutory	18,817	17,187
Total Current	227,206	261,563
<u>Non Current Contractual</u>		
Unearned/Prepaid Income	9,451	17,950
Total Contractual	9,451	17,950
Total Non Current	9,451	17,950
Total Payables	236,657	279,513

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

2020

2019

### 6.1 Interest Bearing Liabilities

<u>Current interest bearing liabilities</u>		
Lease liability – VicFleet	22,598	17,709
Right of Use Liability – Buildings	21,711	
Total Current interest bearing liabilities	44,309	17,709
<u>Non-current interest bearing liabilities</u>		
Lease Liability – VicFleet	80,200	78,356
Right of Use Liability - Buildings	149,721	
Total Non-current interest bearing liabilities	229,921	78,356
Total interest Bearing Liabilities	274,230	96,065

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

Information about leases for which the Group is a lessee is presented below.

#### *The Group's leasing activities*

The Group leases various properties, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1-5 years with an option to renew the lease after that date. Lease payments for properties are renegotiated every five years to reflect market rentals.

Leases of IT equipment with contract terms of 1-3 years are either short-term and or/leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2020, the Group was committed to short term leases and the total commitment at that date was \$12,012.

#### **6.2 (a) Right-of-use Assets**

Right-of-use assets are presented in note 4.1.1 (a)

#### **6.2 (b) Amounts recognized in the Statement of Comprehensive Statement**

The interest expense on lease liabilities that are recognized in the Statement of Comprehensive Operating Statement during the year ending 30 June 2020 was \$10,230.

#### **6.2 (c) Amounts recognized in the Statement of Cashflows**

Total cash outflow for leases recognized in the Statement of Cashflows for the year ending 30 June 2020 was \$44,811.

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group and for which the supplier does not have substantive substitution rights;
- Whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Group has the right to direct the use of the identified asset throughout the period of use; and
- Whether the department has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

## Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

## Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

### *Lease Liability – initial measurement*

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

### *Lease Liability – subsequent measurement*

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

### *Short-term leases and leases of low-value assets*

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

## Minimum future lease payments

	Minimum future lease payments <sup>1</sup>		Present value of minimum future lease payments	
	2020	2019	2020	2019
Right of Use Liabilities - Buildings (prior period operating lease)				
Not longer than 1 year	27,952		21,711	
Longer than 1 year but not longer than 5 years	111,806		95,861	
Longer than 5 years	55,904		53,860	
Other lease liabilities payable (prior period finance lease) <sup>(b)</sup>				
Not longer than 1 year	25,407	20,569	22,598	17,709
Longer than 1 year but not longer than 5 years	81,043	81,200	80,200	78,356
Longer than 5 years	-	-	-	-
Minimum future lease payments	302,112	101,769	102,798	96,065
Less future finance charges	(27,882)	(5,704)	..	..
Present value of minimum lease payments	274,230	96,065	102,798	96,065
Included in the financial statements as:				
Current borrowings lease liabilities (Note 7.1)	..	..	44,309	17,709
Non-current borrowings lease liabilities (Note 7.1)	..	..	229,921	78,356
<b>Total</b>	<b>..</b>	<b>..</b>	<b>274,230</b>	<b>96,065</b>

### 6.2.1 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

	2020	2019
<b>Interest Expense</b>		
Interest on finance leases	3,156	3,143
Total Interest Expense	3,156	3,143

## 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%.

	2020	2019
<b>Cash and Cash Equivalents</b>		
Cash at bank	945,198	525,257
Total Cash and Cash Equivalents	945,198	525,257

### Reconciliation to cash at the end of year

Balance as above	945,198	525,257
Balance as per Cash Flow Statement	945,198	525,257

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

	2020	2019
<b>Net result for the year</b>		
Net result for the year	(182,259)	(141,410)
<b>Non-cash movements:</b>		
(Gain)/loss on sale or disposal of non-current assets	(3,589)	(3,930)
Depreciation of non-current assets	62,849	35,223
Net (gain)/loss on financial instruments	-	-
<b>Movements in assets and liabilities:</b>		
(Increase)/decrease in receivables	(28,287)	(4,775)
(Increase)/decrease in other non-financial assets	12,542	(7,296)
Increase/(decrease) in payables	(42,857)	52,348
Increase/(decrease) in provisions	19,691	69,462
Net cash flows from/(used in) operating activities	(161,910)	(378)

## 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. The term deposit is bearing and interest rates of 1.56%.

	2020	2019
<b>Other Financial Assets</b>		
Term Deposits – AUD – at amortised cost	200,000	830,000
Total Other Financial Assets	200,000	830,000

## 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.

	2020	2019
<b>6.5.1 Interest Revenue</b>		
Interest on bank deposits	16,114	28,872
Total Interest Revenue	16,114	28,872

## 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.

2020

2019

### 6.6.1 Total Commitments Payable

#### Operating and lease commitments payable

Less than 1 year	34,610	53,476
Longer than 1 year but not longer than 5 years	80,200	175,286
Total Operating and lease commitments payable	114,810	228,762
Total Total Commitments Payable	114,810	228,762

## 7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### 7.1.1 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.

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

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 liabilities

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. 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

### 7.1.2 Impairment of Financial Assets under AASB9

The Group has been assessing (and recording if applicable) the allowance for expected credit loss for the relevant financial instruments, applying 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.

### 7.1.3 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.

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.

## 7.2 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.

### 7.3 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Group currently holds financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

These financial instruments include:

<i>Financial assets</i>	<i>Financial liabilities</i>
Cash and deposits Receivables: <ul style="list-style-type: none"><li>• Sale of services</li><li>• Accrued investment income</li><li>• Other receivables</li></ul> Investments and other contractual financial assets: <ul style="list-style-type: none"><li>• Term deposits</li></ul>	Payables: <ul style="list-style-type: none"><li>• For supplies and services</li><li>• Amounts payable to government and agencies</li><li>• Other payables</li></ul>

There were no differences in the fair value of the financial instruments from the carrying amounts.

## 8 OTHER DISCLOSURES

### 8.1 Change in accounting policies

#### 8.1.1 Leases

This note explains the impact of the adoption of AASB 16 Leases on the Group's financial statements.

The Group has applied AASB 16 with a date of initial application of 1 July 2019.

The Group has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.2.

On transition to AASB 16, the Group has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

#### *Leases classified as operating leases under AASB 117*

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The Group has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

#### Impacts on financial statements

On transition to AASB 16, the Group recognised \$188,548 of right-of-use assets and \$192,311 of lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 3.25% per cent.

#### 8.1.2 Revenue from Contracts with Customers (AASB 15) and Income of Not for Profit Entities (AASB 1058)

AASB 15 applies to contracts with customers that are enforceable with sufficiently specific performance obligations. If the contract does not meet these criteria, an entity shall consider the requirements of AASB 1058 in accounting for such contract.

The Group did not incur any financial impact as a result of the adoption of these new standards.

## 8.2 Subsequent Events

Subsequent to 30 June 2020, further COVID-19 restrictions have been established in the state of Victoria. However, these additional restrictions have not significantly affected the operations of the Group, nor are they expected to have a material financial impact on the current or future financial years.

	2020	2019
<b>8.3 Other Economic Flows Included In Net Result</b>		
<b>(a) Net gain/(loss) on non-financial assets</b>		
Net gain on disposal of property plant and equipment	3,589	3,930
Total (a) Net gain/(loss) on non-financial assets	3,589	3,930
Total Other Economic Flows Included In Net Result	3,589	3,930

#### 8.4 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 2019-20 reporting period was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. All of the responsible persons and accountable officers are considered to be Key Management Personnel.

##### 8.4.1 Responsible persons

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

<b>Name</b>	<b>Title</b>	<b>Period of Appointment</b>
<b>Responsible Ministers</b>		
The Honourable Lily D'Ambrosio	Minister for Energy, Environment and Climate Change	01/07/2019 to 30/06/2020
<b>Directors</b>		
Cr. Jill Parker	Chairperson	01/07/2019 to 30/06/2020
Cr. David Bell	Director	01/07/2019 to 30/06/2020
Mr. Lindsay Merritt	Director	01/07/2019 to 30/06/2020
Ms. Tara Halliday	Director	01/07/2019 to 30/06/2020
Cr. Neil Trotter	Director	01/07/2019 to 30/06/2020
Cr. Bruce Harwood	Director	01/07/2019 to 30/06/2020
Ms. Mary Bignell	Director	01/07/2019 to 30/06/2020
Ms. Nicole Sexton	Director	01/07/2019 to 30/06/2020
<b>Accountable Officer</b>		
Mr. Ashley Pittard	Executive Officer	01/07/2019 to 30/06/2020

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 (\$150,000 - \$159,000 in 2018-19)

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.

<i>Compensation of KMPs (including Key Management Personnel disclosed in Note 8.4.1)</i>	<i>Total remuneration</i>	
	<i>2020</i>	<i>2019</i>
Short-term employee benefits	180,669	183,912
Post-employment benefits	15,458	15,112
Total	196,127	199,024
Total number of KMPs	9	10

2020 2019

#### 8.5 Auditors' Remuneration

Victorian Auditor-General audit of financial statements	14,800	14,900
Internal Audit	13,600	13,250
Total Auditors' Remuneration	28,400	28,150

## 8.6 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 \$826,091 of landfill levy distributions (2019: \$807,211) from the Department of Environment, Land, Water and Planning (DELWP).

## 8.7 New Accounting Standards and Interpretations Issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*
- This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Group has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also 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 Group is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Group will not early adopt the Standard.

The Group is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Group's reporting.

- *AASB 17 Insurance Contracts.*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.*

- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*

## 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

27 August 2020

## 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
<b>Ministerial Directions &amp; Financial Reporting Directions (FRD)</b>		
<b>Report of Operations</b>		
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<b>Compliance attestation and declaration</b>		
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	79
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Legislation	Requirement	Page reference
<b>Ministerial Directions &amp; Financial Reporting Directions</b>		
<b>Financial Statements</b>		
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. <sup>1</sup>	✓
SD 5.2.1(c)	Annual reports must be published on your agency's website.	✓
SD 5.2.2	Declaration in Financial Statements	
SD 5.2.3	Responsible Body Declaration	5
FRD 10A	Disclosure Index	80
<b>Other disclosures as required by FRDs in notes to the financial statements <sup>(a)</sup></b>		
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	76
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<p>Note:</p> <p>(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.</p>	
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