



2021-22 Annual Report



North East
Waste and Resource Recovery Group



ISSN: 2205-9229 (online)

Acknowledgement

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

© State of Victoria. North East Waste and Resource Recovery Group 2022. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

TABLE OF CONTENTS

DECLARATION IN REPORT OF OPERATIONS	5
1 RESPONSIBLE BODY’S DECLARATION	5
1.1 Introductory Note.....	5
PART 1: YEAR IN REVIEW	6
2 FOREWARD.....	6
2.1 Chair’s Report.....	6
2.2 Executive Officer Report.....	7
3 VISION AND MISSION.....	8
3.1 Our Vision.....	8
3.2 Our Mission	8
3.3 Values	8
4 MANNER OF ESTABLISHMENT AND THE RESPONSIBLE MINISTER	8
5 NATURE AND RANGE OF SERVICES PROVIDED	8
6 OBJECTIVES, FUNCTIONS AND POWERS	9
PERFORMANCE REPORTING – NON-FINANCIAL	11
6.1 Achievements.....	11
6.2 Operational performance.....	12
6.3 Key initiatives and projects.....	21
RRCH COLLABORATIVE PROCUREMENT.....	21
GLASS FEASIBILITY.....	21
KERBSIDE AND PUBLIC PLACE BIN AUDITS.....	22
ALPINE RESORT COFFEE CUP INITIATIVE	22
PERFORMANCE REPORTING - FINANCIAL	24
7 FIVE-YEAR FINANCIAL SUMMARY	24
7.1 Table 2: Performance against budgetary objectives for the reporting period 2021-221.....	24
8 CURRENT YEAR FINANCIAL REVIEW	25
8.1 Analysis of current year financial’s.....	25
8.2 Significant changes in financial position.....	25
8.3 Significant changes or factors affecting performance.....	25
9 GRANTS AND TRANSFER PAYMENTS.....	25
10 SUBSEQUENT EVENTS	25
PART 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE	26
11 ORGANISATIONAL STRUCTURE.....	26
12 GOVERNING BOARD.....	27
12.1 Biography of directors	27
13 AUDIT COMMITTEE	29
13.1 Biography of Audit Committee members	30
14 BOARD COMMITTEES.....	30
14.1 Remuneration Sub-Committee	30

15 OTHER COMMITTEES	31
15.1 North East Local Government Waste Forum.....	31
15.2 Technical Advisory Sub-Committee.....	31
PART 3: WORKFORCE DATA	33
16 PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES	33
17 OCCUPATIONAL HEALTH AND SAFETY.....	33
18 WORKFORCE DATA	34
19 WORKFORCE INCLUSION POLICY	35
20 EXECUTIVE OFFICER DATA	35
PART 4: OTHER DISCLOSURES	35
21 LOCAL JOBS FIRST	35
22 SOCIAL PROCUREMENT FRAMEWORK	35
23 GOVERNMENT ADVERTISING EXPENDITURE	36
24 CONSULTANCY EXPENDITURE.....	36
24.1 Details of consultancies (valued at \$10,000 or greater).....	36
24.2 Detail of consultancies (valued at less than \$10,000)	37
25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE.....	37
26 MAJOR CONTRACTS	37
27 FREEDOM OF INFORMATION.....	38
27.1 Making a request.....	38
27.2 Freedom of Information Statistics.....	38
27.3 Further Information.....	39
28 COMPLIANCE WITH THE BUILDING ACT 1993	39
29 COMPETITIVE NEUTRALITY POLICY	39
30 PUBLIC INTEREST DISCLOSURES ACT 2012	39
30.1 What is a public interest disclosure?.....	39
30.2 How do I make a public interest disclosure?.....	39
31 OFFICE BASED ENVIRONMENTAL IMPACTS	39
32 STATEMENT OF AVAILABILITY OF OTHER INFORMATION.....	40
32.1 Additional information included in annual report	40
32.2 Information that is not applicable to North East WRRG	40
PORTFOLIO FINANCIAL MANAGEMENT COMPLIANCE FRAMEWORK (PFMCF) & FINANCIAL REPORTING DIRECTIONS.....	41
33 FINANCIAL STATEMENTS	42
33.1 Accountable Officer’s declaration	42
33.2 Report on the utilisation of landfill levy funds received.....	42
34 VICTORIAN AUDITOR GENERAL OFFICE’S INDEPENDENT AUDITOR’S REPORT	44
DISCLOSURE INDEX	61

Declaration in Report of Operations

1 RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present North East Waste and Resource Recovery Group's (North East WRRG) Annual Report for the year ending 30 June 2022.



John Bradley
Secretary

Department of Environment, Land, Water and Planning
30 December 2022

1.1 Introductory Note

On 14 December 2021, the *Circular Economy (Waste Reduction and Recycling) Act 2021* (CE Act) was gazetted. This will result in the establishment of Recycling Victoria, whose Head will oversee the waste, recycling and resource recovery sector, and support the development of a circular economy. Recycling Victoria will be established as a business unit within the Department of Environment, Land, Water and Planning (DELWP) and ready to commence operations from 1 July 2022. With the establishment of Recycling Victoria, the seven Victorian Waste and Resource Recovery Groups (WRRGs) including North East WRRG will be dissolved.

On 1 July 2022, all staff, resources, assets, rights, obligations, debts and liabilities of North East WRRG will be transferred to Recycling Victoria on its commencement.

The North East WRRG has been working closely with DELWP on this transition process during 2021-22. This has been a major area of our focus during this period, which provides context for assessing our achievements in 2021-22.

This will hence be the final annual report of the North Waste and Resource Recovery Group.

Part 1: Year in Review

2 FOREWARD

2.1 *Chair's Report*

I am pleased to present the North East Waste and Resource Recovery Group's (North East WRRG) Annual Report for 2021-22 on behalf of the Board of Directors.

The North East WRRG adopted an ambitious business plan, focused on supporting the needs of our key stakeholders and partners and the group has worked diligently to ensure the completion of all projects and priorities.

We have continued to work in partnership with a broad range of stakeholders to reduce waste and increase recycling opportunities at a state and local level. This year has seen significant policy and legislation changes. On the 14 December 2021, the CE Act become an Act of Parliament. The Act provides for stronger regulation of the state's waste and recycling sector.

The Act and Recycling Victoria are key commitments of the Victorian Government's circular economy plan, Recycling Victoria: a new economy, to reduce waste and landfill, and provide for more and better recycling and a sustainable and thriving circular economy.

North East WRRG has worked to support the implementation of the circular economy plan, with a particular focus on ensuring the implementation of Kerbside reform. North East WRRG is proud of the partnerships it has formed with councils and alpine resorts in the North East region who have a strong history of working collaboratively to achieve important economic, social and environmental gains. We have continued to further strengthen these partnerships and help position the region at the forefront of waste management innovation and service delivery.

Some highlights during 2021-22 have been:

- Establishment of the 'Resource Recovery Collective – Hume'. This initiative will support the region to achieve the four ambitious targets set out within the Victorian Government's circular economy policy as part of kerbside reform.
- The completion of Kerbside and Public Place Waste Audits across the region which will be used to inform important decision making regarding kerbside services and to direct waste education initiatives.
- Supporting Councils and Alpine Resorts to finalise their kerbside transition plans and the completion of a feasibility study regarding the optimal implementation of the fourth glass bin.
- Launch of a regional data platform to record incoming waste data at resource recovery centres and landfills across the region.
- Supporting the implementation of the North East Waste Education Strategy through the formation of the 'Waste Education Network' and completion of numerous important waste education initiatives.
- Advocating for the needs of our region as the state has worked to implement the changes to waste legislation.

While this year will be the last year of operation for the North East WRRG, due to the CE Act which will see establishment on 1 July 2022 of Recycling Victoria, I am immensely proud of our achievements and that the North East region is leading the state in diverting recyclable material from landfill.

Veronica Schilling

Chair

North East Waste and Resource Recovery Group Board of Directors

2.2 Executive Officer Report

We are proud as a team to have delivered an unprecedented number of valuable waste and resource recovery initiatives across the region.

North East WRRG has focused on supporting the delivery of numerous Recycling Victoria initiatives and actions from the North East Waste and Resource Recovery Implementation Plan (WRRIP).

While we are proud of the achievements made throughout the year, the highlight has been working to support our valuable stakeholders. We especially appreciate the close working relationships we have with our Council and Alpine Resort partners.

Councils and Alpine Resorts throughout the North East Region have worked collaboratively to support the implementation of shared regional priorities and North East WRRG are pleased to be able to facilitate this through the delivery of the Local Government and Alpine Resort funded projects program.

The team have implemented the ambitious business plan set for this year, whilst supporting the transition to Recycling Victoria which will commence from 1 July 2022. North East WRRG is a small but highly efficient and focused team which has served us well during this busy period of change.

The Recycling Victoria Policy has provided the region with a number of opportunities and North East WRRG has been working closely with our portfolio partners to ensure that the benefits of this can be realised for the region. We greatly appreciate the support of other agencies working within the waste Portfolio, in particular – other WRRGs, Department of Environment Land Water and Planning (DELWP), Sustainability Victoria (SV) and the Environment Protection Authority (EPA).

We thank the North East Local Government and Alpine Resorts for their continued commitment to working in partnership with the North East WRRG. We recognise that these partnerships are integral to improving waste and resource recovery systems in North East Victoria.

My sincere thanks to the exceptional team of staff, and to the Board, along with the Audit and Risk Committee for their dedication which has ensured our ongoing success.

Kristy Kay

Executive Officer

North East Waste Recovery and Resource Group

3 VISION AND MISSION

3.1 Our Vision

The North East WRRG believes in: “Getting best outcomes from our waste”.

The North East WRRIP is the guiding regional strategic document for the organisation. The North East WRRIP identifies the following vision for the region:

The north east region has an integrated and efficient waste and resource recovery system that provides an essential community service to protect the community, environment and public health; viably recover materials from our waste; and minimise cost to householders, industry and government.

3.2 Our Mission

Improve our waste and resource recovery systems by facilitation, collaboration, research, planning and education with our stakeholders.

3.3 Values

North East WRRG acknowledges and adheres to the *Public Administration Act 2004* which establishes seven core Victorian Public Sector Values to guide and underpin conduct and performance of directors and employees’ interaction with the government, community, suppliers and other employees.

The seven core Public Sector Values include:

- Responsiveness;
- Integrity;
- Impartiality;
- Accountability;
- Respect;
- Leadership; and
- Human rights.

4 MANNER OF ESTABLISHMENT AND THE RESPONSIBLE MINISTER

The North East WRRG is a Statutory Authority established in accordance with section 49C of the *Environment Protection Act 1970* (EP Act). The EP Act is repealed as of 1 July 2021 and replaced with the *Environment Protection Act 2017* which provides for the continuance of Waste and Resource Recovery Groups (reference section 382). Other governance obligations of North East WRRG are set out in the EP Act sections 383 to 403 inclusive.

The responsible Minister for the period 1 July 2021 to 30 June 2022 was the Hon Lily D’Ambrosio MP, Minister for Environment and Climate Action.

5 NATURE AND RANGE OF SERVICES PROVIDED

The North East WRRG has a primary role in setting the strategic context for solid waste management and resource recovery in the North East region.

The North East WRRG region comprises of the municipal areas of Alpine, Indigo, Mansfield, Towong, Benalla, Wangaratta and Wodonga and the alpine resort areas of Falls Creek, Mt Hotham and Mt Buller-Mt Stirling.

North East WRRG articulates its long-term strategic direction through the North East WRRIP. The North East WRRIP was finalised and approved by the Hon Lily D’Ambrosio MP, Minister for Environment and Climate Action in June 2017. This plan is part of a state planning framework consisting of the complimentary State-wide Waste and Resource Recovery Infrastructure Plan (SWRRIP), along with other regional and one metropolitan waste and resource recovery implementation plans.

Recycling Victoria: a new economy was released in February 2021 and is Victoria’s circular economy policy and 10-year action plan to transform the waste and recycling sector into one we can rely on. On the 14 December 2021, the CE Act become an Act of Parliament. The Act provides for stronger regulation of the

state's waste and recycling sector for more and better recycling, less waste and landfill. The Act and Recycling Victoria are key commitments of the Victorian Government's circular economy plan, Recycling Victoria: a new economy, to reduce waste and landfill, and provide for more and better recycling and a sustainable and thriving circular economy.

North East WRRG has worked to support the implementation of the circular economy plan, with a particular focus on ensuring the implementation of Kerbside reform.

In line with its legislative functions, North East WRRG utilises education, procurement, and the promotion of best practice to foster improvements in waste management within the North East region.

As defined by legislation, North East WRRG also supports the North East Local Government Waste Forum and its subcommittees. Utilising this structure, North East WRRG works with local government and alpine resorts on the collaborative delivery of priority projects, addressing waste, litter, and resource recovery.

Key North East WRRG stakeholders include:

- Local government – including Alpine Shire Council, Indigo Shire Council, Mansfield Shire Council, Towong Shire Council, Benalla Rural City Council, Rural City of Wangaratta, Wodonga City Council, Falls Creek Resort Management, Mt Hotham Resort Management and Mt Buller-Mt Stirling Resort Management.
- State government – DELWP, SV, EPA and other WRRG's.
- Business, industry and community within the North East region.

6 OBJECTIVES, FUNCTIONS AND POWERS

In accordance with section 386 of the EP Act the objectives of the North East WRRG are:

- (a) 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;
- (b) 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;
- (c) To integrate regional and local knowledge into State-wide waste and resource recovery market development strategies;
- (d) 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
- (e) To ensure Regional Waste and Resource Recovery Implementation Plans (RWRRIP) 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, a Waste and Resource Recovery Group must collaborate with councils, SV, the EPA, industry, business, and the community.

In accordance with section 387 of the EP Act, the functions of the North East WRRG Group are:

- (a) To plan for the future needs of waste and resource recovery infrastructure within the North East waste and resource recovery region consistently with the State-wide Waste and Resource Recovery Infrastructure Plan;
- (b) To facilitate the provision of waste and resource recovery infrastructure and services by councils within its waste and resource recovery region;
- (c) 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;
- (d) To manage contracts in the performance of its objectives and functions;
- (e) To work with SV, 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;

- (f) To advise, with SV, councils and businesses within its waste and resource recovery region on best practices for waste and resource recovery systems, facilities and services;
- (g) To support its waste and resource recovery region's Local Government Waste Forum to enable the Forum to perform its functions; and
- (h) To undertake waste and resource recovery projects as funded by government, councils and other organisations.

In accordance with section 388 of the EP Act, the powers of the North East WRRG are:

1. Subject to subsection (2), a Waste and Resource Recovery Group may do all things that are necessary or convenient to enable it to carry out its functions and achieve its objectives.
2. A Waste and Resource Recovery Group cannot:
 - (a) Own or operate a waste management facility;
 - (b) Apply for or hold a planning permit; or
 - (c) Enter into contracts for the procurement of waste management facilities or waste and resource recovery services, unless the contract is jointly entered into with a procurer under that contract.

North East WRRG also operate in accordance with the SOE which has been set for the Group. The SOE provides that the Board, as the Governing body of the Group is accountable to the Minister and must ensure the achievement of the priorities and governance standards that are set as part of the SOP. There are five priority areas outlined in the SOE.

The priority areas from the Minister's Statement of Expectations (SOEs) that North East WRRG will focus on were revised during July 2020. These new SOEs were considered as part of our business plan and include:

- 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.
- 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 SV to incorporate the North East WRRG 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 DELWP to support the successful establishment and operation 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 SV and identify regional strategic priorities and support regional grant applicants; and
 - **Education and behaviour change:** support councils, businesses and communities to deliver state-wide campaigns locally.

PERFORMANCE REPORTING – NON-FINANCIAL

6.1 Achievements

This financial year has seen North East WRRG achieve the completion of an ambitious business plan through the delivery of numerous important programs and priorities focused on the implementation of the North East WRRIP and the Recycling Victoria Policy. The achievement of our objectives has been enabled through the ongoing partnership between the North East's local government and alpine resorts. These ongoing partnerships have played a pivotal role in the achievements of improving waste and resource recovery systems in North East Victoria.

The key activities and objectives are developed based on the Minister's Statement of Expectation, the delivery of 'Recycling Victoria – a new economy', the North East WRRIP, the State-wide Waste and Resource Recovery Infrastructure Plan (SWRRIP) and the Recycling Industry Strategic Plan.

The 2021-22 achievements against objectives are outlined in the following section, with each action supporting our key priority areas.

1. Plan for Recycling Infrastructure

Long term plan for waste and resource recovery infrastructure at state and regional levels that provides:

- investment certainty for industry;
- maximised resource recovery; and
- minimised risks to community safety.

(Supporting role to SV)

2. Support and engage with Victorian communities

- Circular economy benefits are realised at a local level through projects that improve recycling, engage communities, reduce waste generation, and tackle littering and illegal dumping.
- The regional direction for education and behaviour change is aligned with the Victorian Government commitments set out in Recycling Victoria.
- Regional economic development opportunities are identified and stakeholder relationships are strengthened.

(Supporting role to SV)

3. Facilitate joint procurement of aggregated services to maximise resource recovery and value for money

- Materials collected from households are high quality and can be used to make new products.
- Councils are supported to work together in aggregating waste volumes and pursuing strategic collaborative procurement contracts that deliver kerbside reforms and improve recycling and waste services.

4. Provide a strong governance framework to comply with statutory requirements

- Ensure transparency and accountability for all corporate governance practices to our stakeholders.
- Maintain an effective and efficient governance framework to facilitate the provision of waste and resource recovery infrastructure and services for the North East region.

5. Ensure the continuity of waste as an essential service

- The economic and environmental contribution of the waste and recycling sector is strengthened during recovery efforts.
- The establishment and operation of a new Waste Authority is supported.

6.2 Operational performance

The following report describes the progress on initiatives and resulting performance target outcome that were scheduled to be undertaken in 2020-23 Business Plan.

The Performance Target Outcome (PTO) key:

✓	Performance target achieved or exceeded or expected to be achieved
■	Performance target not achieved- exceeds 5% variance
○	Performance target not achieved – within 5% variance

6.2.1 KEY ACTIVITY 1: Plan for Recycling Infrastructure

Objective:

Long term plan for waste and resource recovery infrastructure at state and regional levels that provides investment certainty for industry, maximised resource recovery and minimized risks to community safety.

ACTIVITIES	OUTCOME	STATUS	PTO
<p>Advocate for the infrastructure needs of North East Victoria and support SV in the development of the Victorian Infrastructure Plan.</p> <p><i>A review of the North East WRRIP including the Infrastructure schedule was initially planned by North East WRRG but following discussions with DELWP – this activity was transferred to Sustainability Victoria as part of the state-wide VRIP. North East WRRG have only progressed to update the closed landfill schedule, as agreed.</i></p>	<p>Participated in 100% of Portfolio VRIP working group meetings, collection of data/completion of survey's needed across North East region, 100% completion meeting time targets- to support the development of the VRIP.</p> <p>Completion of a formal review of the North East Closed Landfill Schedule, 50 closed landfills included. Consultation with stakeholders and submission of revised WRRIP to Minister.</p>	Completed	✓
<p>Supporting councils in their strategic planning for Resource Recovery Centre's across the region</p>	<p>Operational and strategic plans developed for Resource Recovery Centres across the region were scoped but decision not to proceed due to perceived overlap between VRIP RRC surveys and report. North East WRRG supported data collection and RRC report development by SV.</p>		■
<p>Conduct a regional risk assessment and develop costed action plans for closed, non-regulated landfills.</p>	<p>Completion of amended closed landfill schedule in WRIPP.</p> <p>Completed risk assessments of five additional closed landfills identified following completion of the 2020-21 regional closed landfill risk assessment project</p>	Completed	✓
<p>Identify opportunities to improve the collection, storage, transport and processing of problematic materials.</p>	<p>Development and implementation of action plans for the identified remaining problematic materials at each council and alpine resort completed.</p> <p>Stage 2 problematic materials analysis project completed focusing on a wide range of problematic materials, including soft plastics, hard plastics, silage wrap, polystyrene, snow sports equipment, textiles and treated timber.</p>	Completed	✓
<p>Work with state, local government and the alpine resorts to provide meaningful input towards land use planning activities</p>	<p>Evidence of input/submission towards land use studies/local issues papers.</p>	Completed	✓

ACTIVITIES	OUTCOME	STATUS	PTO
<p>to ensure the consideration of the future needs for waste and resource recovery infrastructure.</p>			
<p>The North East WRRG to contribute to State-led work on buffers and encroachment of new and existing waste and RRC.</p>	<p>Recommendations from Buffer support program considered by councils where appropriate.</p> <p>North East Buffer support recommendations being considered for some key infrastructure.</p>	Completed	■
<p>Support councils and alpine resorts to establish waste management strategies aligned to the North East WRRIP and Recycling Victoria's objectives.</p>	<p>Review of any new or updated local government and alpine waste and resource recovery strategies and policies.</p> <p>Alignment is achieved within these to regional collaborative opportunities such as procurement.</p> <p>Alignment is achieved to Recycling Victoria.</p> <p>Four of the North East Councils and Alpine Resorts have waste management strategies which consider the north east WRRIP and some are now aligned to Recycling Victoria.</p> <p>Eight out of 10 Councils and Alpine Resorts participated in the Regional Waste and Resource Recovery Implementation Plans - Performance Indicator Data Report. This report demonstrated achievements above the state average.</p>	Completed	✓
<p>Facilitate discussions and support for the development of new local processing facilities or other infrastructure that meets the identified needs of the North East WRRIP.</p>	<p>Regional opportunities have been identified and promoted to key stakeholders such as SV, Regional Development Victoria and council economic development units.</p> <p>Support has been provided where appropriate towards the preparation of grant applications. A feasibility study and business case has been prepared for a regional glass processing facility.</p> <p>Participation in 100% of Regional Circular Economy Plan working group meetings, workshops and associated grant programs. Regional review of applicable grant applications completed within timeframes.</p>	Completed	✓
<p>Investigate options to ensure consistent and efficient data collection reporting systems are developed that will provide data to underpin planning at regional and state level.</p>	<p>A data collection and reporting platform has been built with export capabilities to feed into council and state reporting. Data mapping within the platform improves the integrity of regional data captured. Further expansion of the data platform to include other data sets and additional councils is possible and significant engagement is underway with key stakeholders.</p> <p>Reporting data in a consistent manner across the region. Participation/data upload has been completed for 10 councils and resorts. The functionality of the platform has been shared with all WRRGs and SV.</p>	Completed	✓

6.2.2 KEY ACTIVITY 2: Support and engage with Victorian communities.

Objectives:

- Circular economy benefits are realised at a local level through projects that improve recycling, engage communities, reduce waste generation, and tackle littering and illegal dumping.
- The regional direction for education and behaviour change is aligned with the Victorian Government commitments set out in Recycling Victoria.
- Regional economic development opportunities are identified and stakeholder relationships are strengthened.

ACTIVITIES	OUTCOME	STATUS	PTO
<p>Pursue funding and partnership opportunities to achieve the implementation of the North East Litter and Illegal Dumping Plan and accompanying detailed action plan.</p>	<p>A detailed Litter & Illegal Dumping action plan was developed and endorsed by the Board and LGW Forum in March 2021. 2021-22 focused on delivery of high priority actions from the plan that are within North East WRRG control. This included:</p> <p>Public place bin audits and assessments, including a compositional audit of 479 public bins, and an infrastructure assessment of 1242 public bins.</p> <p>Commencement of a communication and education campaign focused on avoidance of litter and illegal dumping</p> <p>Monthly communication and education content provision to councils and alpine resorts.</p>	Completed	✓
<p>Promote and support opportunities made available through Recycling Victoria for councils and alpine resorts, and their local communities.</p>	<p>Available council and community grant programs were broadly promoted via:</p> <ul style="list-style-type: none"> • Fortnightly updates to councils and alpine resorts • Regular reports to the LGW Forum and TAS • Board communique distributed to CEO's • Electronic stakeholder newsletter • Meetings/individual discussions <p>The North East region was successful in securing funding for a number of initiatives, including four regional collaborative projects.</p>	Completed	✓
<p>Work with councils and alpine resorts to deliver the North East Communication & Education Strategy and its strategic directions which include;</p> <ul style="list-style-type: none"> • Support council kerbside and alpine resort waste collection transition planning; • Improve visitor and events waste management across the region; • Support the regional community and visitors in reducing and avoiding waste generation; 	<p>A Waste Education Network was established to drive implementation of priority actions within the strategy. Activities have included;</p> <p>The improving event waste management in the north east project – stage 1 research report and stage 2 implementation toolkit for councils and alpine resorts was delivered.</p> <p>Public place bin audits and assessments completed, including a compositional audit of 479 public bins, and an infrastructure assessment of 1242 public bins..</p> <p>Commencement of a communication and education campaign focused on avoidance of litter and illegal dumping.</p>	Completed	✓

ACTIVITIES	OUTCOME	STATUS	PTO
<ul style="list-style-type: none"> • Strengthen resource recovery from resource recovery centres and transfer stations; • Encourage reduced consumption of single use plastics and packaging, and reduced generation of organic waste; and • Reduce illegal dumping and littering behaviours. 	<p>Delivery of monthly waste and resource recovery content to councils and alpine resorts, focusing on aligning content with strategic directions.</p> <p>Kerbside audits of 950 households assisted with planning for Kerbside transition and have informed education activities.</p> <p>Creation of a time-lapse video highlighting the journey of waste at the alpine resorts.</p> <p>Waste minimisation campaigns including Plastic Free July membership facilitation, and a Christmas waste avoidance campaign.</p>		
<p>Following the review of the SEED program, seek to transition the program or key components of the program to another organisation.</p>	<p>An expression of interest process was completed, identifying a potential new custodian for the SEED program, who are continuing to investigate and plan for SEED delivery next financial year.</p>	Completed	✓
<p>Provide councils and alpine resorts with the necessary support to successfully plan for and implement household recycling reform.</p>	<p>Support activities have included:</p> <p>Facilitation of the FOGO implementation working group.</p> <p>Data insights to assist planning from the Kerbside waste audits.</p> <p>Collaborative procurement project.</p> <p>Promotion of and support for transfer station upgrade fund applications, timely completion of regional reviews.</p> <p>Glass service and processing options feasibility study completed.</p> <p>Participation in the RV Education and Behaviour Change Reference Group, to guide development of state-wide campaign materials that support the rollout of new services.</p>	Completed	✓
<p>Promote the waste and resource recovery achievements of the North East region to industry and the broader community.</p>	<p>Preparation of media releases for localising by councils and alpine resorts.</p> <p>Creation of a video that celebrates the achievements of the North East and Goulburn Valley regions, as part of the Resource Recovery Collective – Hume.</p>	Completed	✓
<p>Investigate market development options for timber recycling, particularly timber pallets.</p>	<p>This project was rated as low priority by the TAS and Forum and was therefore not delivered.</p>	2022/23	■
<p>Support the implementation of the glass feasibility business case for the North East Region.</p>	<p>This is progressing through the Resource Recovery Collective – Hume, regional tender.</p>	Completed	✓
<p>Provide training opportunities focused on the priority needs identified by the Technical Advisory Subcommittee (TAS).</p>	<p>Staff from partner councils and resorts from North East WRRG, GV WRRG and GWRRG regions have collaboratively been undertaking a Certificate IV in Waste Management.</p>	Completed	✓

ACTIVITIES	OUTCOME	STATUS	PTO
	North East WRRG facilitated the delivery of the course through Academy Green RTO. Completion by one attendee from the north east.		
Continue to implement actions within the North East WRRG Stakeholder Engagement Strategy.	Implementation of engagement priorities identified within the endorsed strategy. Stakeholder engagement capabilities are strengthened. Councils and alpine resorts are engaged and informed, supporting their ability to actively respond and/or participate in program delivery.	Completed	✓
Support the alpine resorts with transitioning the Living Bin program as an ongoing initiative and delivering in accordance with kerbside reform.	Coordination and facilitation of discussions with portfolio partners to support transition planning and ensure consideration of unique needs of the alpine resorts (i.e. state-wide education and behaviour change program).	Completed	✓

6.2.3 KEY ACTIVITY 3: Facilitate joint procurement of aggregated services to maximise resource recovery and value for money.

Objectives:

- Materials collected from households are high quality and can be used to make new products.
- Councils are supported to work together in aggregating waste volumes and pursuing strategic collaborative procurement contracts that deliver kerbside reforms and improve recycling and waste services.

ACTIVITIES	OUTCOME	STATUS	PTO
<p>Identify opportunities for councils and alpine resorts to increase their recovery of soft plastics</p>	<p>Buy-back agreements or similar in place with soft plastics recyclers for two councils, resulting in regular collection arrangements.</p> <p>The problematic materials stage 2 project further investigated this and engaged with reprocessors.</p> <p>Currently no viable options for further soft plastics collection at kerbside or transfer stations across the region, although two individual councils have arrived at a processing arrangement with a local reprocessor.</p>	Completed	✓
<p>Identification of collaborative procurement and contract management opportunities for the region that leads to local circular economy outcomes, cost efficiencies, increased resource recovery and best practice waste management.</p>	<p>Implementation of the regional strategic plan for collaborative procurement, endorsed by local government and alpine resorts.</p> <p>A collaborative procurement strategic plan was completed for the region and implementation of this is well underway.</p>	Completed	✓
<p>Facilitate and oversee collaborative procurement for North East local government and alpine resorts in line with the kerbside transition and implementation priorities identified as part of the Procurement Strategy.</p> <p>As part of the Resource Recovery Collective, Hume Regional Procurement: Seek the Minister for Environment and Climate Action approval at key points in the project. This includes:</p> <ul style="list-style-type: none"> • Approach to tender (such as the Australian Competition and Consumer Commission application); expected in December 2021, as per indicative project timeline; and • Final tender documentation; expected in February 2022, as per indicative project timeline. <p>Invite DELWP to participate as an observer on the project's Working Party and on the tender evaluation panel; and Work with DELWP to explore regional outcomes and opportunities for</p>	<p>Establishment of the Resource Recovery Collective – Hume, Lead by the North East WRRG in partnership with the GV WRRG.</p> <ul style="list-style-type: none"> • Execution of an MOU with 13 Participants • Completion of all tender documentation including procurement plan, evaluation plan, probity plans and engagement plan • Completion of all tender documentation • Interim ACCC application granted • Out to market <p>DELWP is an observer of the CPWG and has been kept up to date with meeting communique.</p> <p>DELWP has supported the regional tender to ensure consideration of the new CE Act.</p>	Completed	✓

ACTIVITIES	OUTCOME	STATUS	PTO
investment, through the Regional Circular Economy Planning process.			
Assist councils and alpine resorts to finalise kerbside transition plans.	<p>All 10 councils and alpine resorts submitted draft plans on time which was facilitated by North East WRRG.</p> <p>Ongoing support and facilitation to develop final transition plans.</p> <p>Completion of further feasibility work, as requested by Councils and Alpine Resorts to understand the optimal transition to the fourth bin.</p> <p>FOGO working group formed to support Councils in their planning for the introduction of the FOGO service.</p> <p>Support to finalise and implement transition plans through the kerbside regional tender</p>	Completed	✓
Conduct a second round of kerbside waste audits including the alpine resorts.	<p>Completion of kerbside bin audits for 950 households and presentation of results to key stakeholders.</p> <p>Alpine resort audits delayed by COVID, to be completed in August 2022.</p> <p>North East WRRG contributed to the development of the state-wide audit standards.</p>	Completed	✓
Work with portfolio partners, local councils and the alpine resorts to continue to facilitate adherence to the e-waste ban from landfills and low toxicity materials/expand collection.	Ongoing facilitation of collaborative e-waste contract.	Completed	✓

6.2.4 KEY ACTIVITY 4: Provide a strong governance framework to comply with statutory requirements

Objectives:

- Ensure transparency and accountability for all corporate governance practices to our stakeholders.
- Maintain an effective and efficient governance framework to facilitate the provision of waste and resource recovery infrastructure and services for the North East WRRG.

ACTIVITIES	OUTCOME	STATUS	PTO
Charter of Corporate Governance, risk register, policies, procedures and guidelines reviewed, maintained and adhered to.	A policy development and review program has been approved and implemented. Charter of Corporate Governance was reviewed in August 2020.	Completed	✓
Preparation and submission of annual Business Plan including cost model forecasts.	Final draft Business Plan 2021-23 was completed and endorsed by the Board, awaiting Ministerial approval.	Completed	✓
Preparation and submission of Annual Report.	Approved Annual Report 2020-21.	Completed	✓
To continue to work collaboratively with the WRRGs and other agencies across the State to implement shared service arrangements which deliver organisational efficiencies and cost benefits to the North East WRRG.	North East WRRG: <ul style="list-style-type: none"> • Participates in the Shared Services working group. • Utilises People and Culture services. • Actively contributed towards the development of the WRRG's state-wide risk model. • Utilised some shared services education initiatives. • North East WRRG has supported the Planning program lead by MWRRG. 	Completed	✓
Ensure that operations are consistent with the Board Charter including a minimum of five (5) meeting times per annum, self-assessment, and annual performance setting.	Ten board meetings held in 2021-22. Annual board performance assessment is normally completed in the November / December period and will not be undertaken this year.	Completed	✓
Provide secretariat responsibilities and support to the LG Waste Forum and TAS, incorporating North East WRRIP priority areas.	Five LG Waste Forum meetings and five TAS meetings held. LG Waste Forum ToR were due to be reviewed in June 2022 but will not be completed due to North East WRRG being dissolved. TAS ToR, the LG Waste Forum approved the TAS ToR to be rolled over for another 12 months to December 2022 pending changes to North East WRRG.	Completed	✓
Develop and deliver the annual Local Government / Alpine Resorts Funded Project Program.	Annual project program developed in collaboration with stakeholders and endorsed by the Board, following an extensive planning process. Delivery of projects identified for funding is ongoing, with some projects to be rolled over and completed within Recycle Victoria in 2022-23. Regular reporting on the status of projects is provided to the Board, Audit Committee, LG Forum and TAS.	Completed	✓

6.2.5 KEY ACTIVITY 5: Ensure the continuity of waste as an essential service

Objectives:

- The economic and environmental contribution of the waste and recycling sector is strengthened during recovery efforts.
- The establishment and operation of a new Waste Authority is supported.

ACTIVITIES	OUTCOME	STATUS	PTO
<p>Work with local government/alpine resorts and state authorities to develop mechanisms to appropriately manage materials and waste during and after emergency events.</p> <p>Annual review of contingency plan.</p>	<p>Waste and resource recovery contingency planning support provided during and after emergency events (covid-19 pandemic).</p> <p>Matters of state significance effectively and appropriated escalated.</p> <p>North East WRRG has been a member of Portfolio Coordination Groups for FOGO, E-Waste and Tyers</p> <p>The 2021/22 contingency plan review is yet to be completed and will be deferred as part of the state-wide VRIP development.</p>	Completed	<p>✓</p> <p>■</p>
<p>Actively contribute to the new waste legislation and authority working group to ensure stakeholder and regional needs are well represented.</p>	<p>North East WRRG are actively participating in, and are members of several working groups, contributing to the transition to Recycling Victoria.</p>	Completed	✓
<p>Consider implication of proposed new Waste Act and authority for staff, stakeholders and region to ensure an appropriate transition plan is developed.</p>	<p>Working closely with the DELWP transition governance team to work through issues and risks identified.</p>	Completed	✓

6.3 Key initiatives and projects

Some of the major projects have included:

RRCH Collaborative Procurement

The North East and Goulburn Valley Waste and Resource Recovery Groups are proud to have supported their partner councils and alpine resorts with a regional collaborative tender for waste and recycling services, as part of the 'Resource Recovery Collective - Hume'.



This initiative will support the ongoing delivery of essential kerbside waste and recycling services beyond current contracts and provide an opportunity for councils and alpine resorts to implement actions contained in Recycling Victoria: a new economy.

Through their participation in a regional collaborative tender for kerbside waste and recycling services, twelve councils and alpine resorts across the Hume region are taking an important step towards reducing material to landfill, supporting a sustainable regional circular economy and driving economic growth.

A Request for Tender has been coordinated which covers long term contracts for the collection, transport and processing/disposal of commingled recycling, glass, food organics and garden organics (FOGO), and general waste.

The collaborative procurement, which is part of the Resource Recovery Collective – Hume (RRCH), is one of the largest of its kind in regional Victoria. The initiative will also help councils and alpine resorts to implement actions set out within the Victorian Government's circular economy policy, supporting the region's transition toward a low carbon, circular economy.

Glass Feasibility

This project undertook a regional feasibility study on the benefits and costs of different glass collection services for 16 councils and alpine resorts in the Hume region. The project team consulted with 17 organisations including councils and alpine resorts in the Hume region, material recovery facilities within and outside of Victoria, glass re-processors and councils that have implemented a separate glass service (kerbside or drop off).

Additional data was collected from a variety of sources, including;

- Audit data, which shows a breakdown of glass in kerbside bins for councils and alpine resorts.
- Analyses previously completed by councils and alpine resorts.
- Tonnes generated at kerbside by councils and alpine resorts and costs to collect and dispose/recover.
- Public data available from DELWP and SV.
- Data from interstate - focus on glass data including impact of container deposit scheme (CDS).

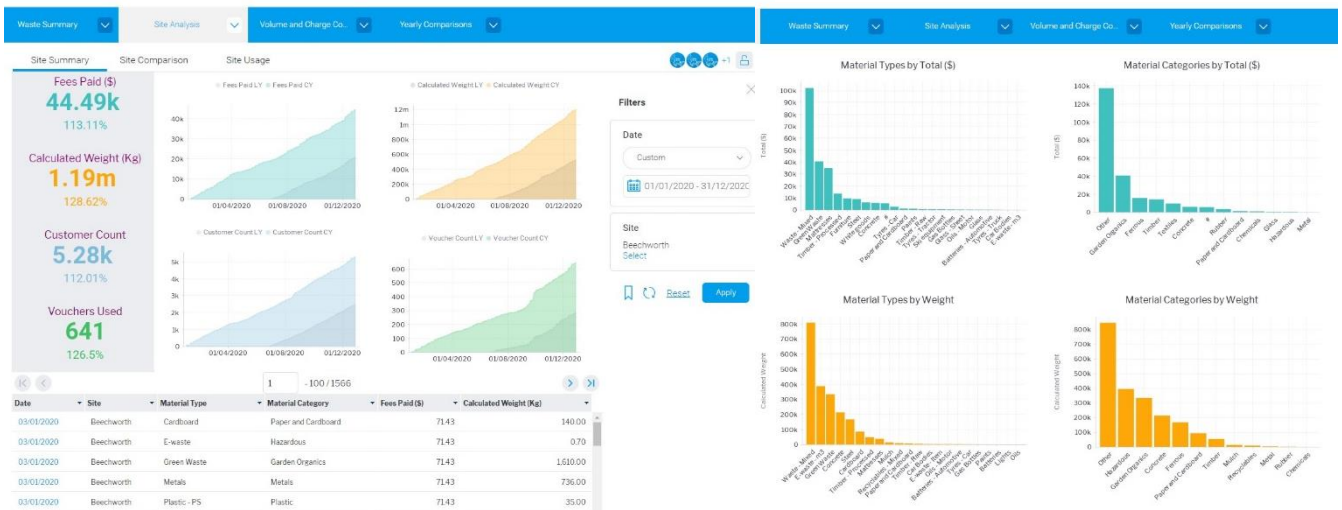
Analysis was completed and different scenarios explored for glass services that councils and alpine resorts in the Hume region could roll out to their community. This included the costs, logistics, and environmental and social impacts of the options.

Regional Data Platform Project

The North East regional data platform project aims to:

- (a) standardise data collection outputs;
- (b) reduce the burden of regulatory reporting requirements;
- (c) establish the true costs of individual waste streams;
- (d) highlight opportunities for cost-savings;
- (e) inform contract negotiations; and,
- (f) maintain stockpile inventory to help decrease fraud risks for councils and alpine resorts in the region.

The regional data platform has been initially set up to record incoming waste data at resource recovery centres, transfer stations and landfills. Councils and alpine resorts upload data to the regional data platform using templates or an automated process. Regional and organisation-specific reporting dashboards allow councils and alpine resorts to analyse the data and export data reports in multiple formats.



Images Above: Example of the Data Platform dashboard.

Kerbside and Public Place Bin Audits

Two significant waste audit projects were completed this year by the North East WRRG. Firstly, compositional audits of the Kerbside waste, recycled and FOGO (where applicable) streams were undertaken in accordance with the 2021 Guidelines for Kerbside Auditing (a joint SV and WRRG publication). This provided trend data to compare with the previous audits in 2017 and 2013 and provided data insights critical for planning for Kerbside transition, CDS, education and behaviour change programs and the RRCH collaborative procurement.

Secondly, compositional audits of public place waste and recycling streams, as well as public bin infrastructure assessments were undertaken, building on data last gained in 2016. This allowed comparison of trends over time, as well as the between public place and at home segregation behaviours. The audit identified significant landfill diversion opportunities via the CDS and potentially public place FOGO bins, as well as targeted educational messaging on bins. Due to COVID restrictions, audits in the alpine resorts were not able to be completed this financial year and will take place in August 2022.

Closed Landfill Schedule

Throughout and subsequent to the 2020-21 closed landfill risk assessment project, additional closed landfills were identified in region. These landfills were not included in the current published North East waste and resource recovery implementation plan (NEWRRIP) closed landfill schedule. The North East WRRG completed an update to the closed landfill schedule and the NEWRRIP in accordance with the statutory consultation process, and advice from DELWP.

Alpine resort Coffee Cup initiative

The North East WRRG supported Falls Creek, Mount Hotham and Mount Buller and Mount Stirling alpine resorts with a project to investigate options to eliminate single use coffee cups from the landfill waste stream. Across the alpine resorts, single use coffee cups comprise approximately 20% of the landfill waste. Engaging with commercial operators at the resorts, as well as swap cup programs and compostable cup suppliers, the costs, benefits and risks of a range of options were analysed.

The most viable option with broad support from commercial operators was found to be replacement of all single use coffee cups with 100% compostable alternatives. Impact of this change is contingent on the state-wide bin acceptance standards, and if there is an ongoing ability for the alpine resorts to collect compostable

single use items in the food organics and garden organics (FOGO) stream. Dedicated coffee cup bins and compostable cups were trialed during the project, including a demonstration of successful composting of the products at two local composting facilities.

Waste Education Network

A Waste Education Network (WEN) was established to support implementation of priority actions within the Communication & Education Strategy and Regional Litter & Illegal Dumping Plan. The WEN includes representatives from each council and alpine resort, who have contributed funding through the local government and alpine resort funding program to support the delivery of projects.

Initiatives undertaken by the group have included;

- Preparation of monthly social media content plans and media releases/website content;
- Creation of a time-lapse video highlighting the journey of waste at the alpine resorts;
- Development of material focused on reducing litter and illegal dumping;
- Delivery of waste minimisation campaigns;
- Education material to address the outcomes of the Kerbside waste audits;
- Regional participation in Plastic Free July;
- Delivery of online webinars focused on reducing food waste; and
- Development of a campaign to support organisations with increasing the use of keep cups.



Images Above: Christmas Waste Minimisation Campaign 2021

PERFORMANCE REPORTING - FINANCIAL

7 FIVE-YEAR FINANCIAL SUMMARY

	2021-22 (\$)	2020-21 (\$)	2019-20 (\$)	2018-19 (\$)	2017-18 (\$)
REVENUE					
Landfill levy	585,921	634,364	647,377	621,360	562,058
Regional Projects & grants	167,333	256,402	65,000	157,991	265,000
Member contributions	142,532	142,077	142,077	136,838	140,413
Interest income	2,254	1,295	5,048	10,686	7,669
Other income	789	6,883	0	0	0
Total Revenue	898,829	1,041,021	859,502	926,875	975,140
EXPENDITURE					
Administration	131,703	108,713	131,324	187,091	148,600
Employee costs	592,954	440,959	469,684	386,249	459,491
Regional program costs	698,686	449,352	208,529	155,423	96,944
Depreciation & amortisation	18,778	19,575	19,720	7,247	7,025
Interest expense	122	198	355	-	-
Total Expenditure	1,442,243	1,018,797	829,612	736,010	712,060
ASSETS					
Current Assets	507,207	1,009,995	989,083	950,737	824,278
Non-current assets	27,853	30,775	48,238	30,022	33,207
Total Assets	535,060	1,040,770	1,037,321	980,759	857,485
LIABILITIES					
Current Liabilities	147,555	116,981	130,278	113,119	169,210
Non-current liabilities	11,291	4,161	9,639	126	11,626
Total Liabilities	158,846	121,142	139,917	113,245	180,836

7.1 Table 2: Performance against budgetary objectives for the reporting period 2021-22

	BUDGET (\$)	ACTUAL (\$)
INCOME		
Landfill Levy	744,512	744,512
Interest Income	1,500	2,254
Member Contributions	142,077	142,532
Grants and projects	166,667	167,333
Other income	0	789
Total Income	1,054,756	1,057,420
EXPENSES		
Administration	227,854	131,703
Employee Costs	506,227	592,954
Regional Program costs	810,000	698,686
Depreciation	2,955	18,778
Interest expense	0	122
Total Expenses	1,547,037	1,442,243

8 CURRENT YEAR FINANCIAL REVIEW

8.1 Analysis of current year financial's

North East WRRG produced a deficit of \$384,823 for the 12 months ending 30 June 2022. It was initially budgeted that the deficit for this period would be \$492,281.

The variance predominately relates to two projects, which were reported to the Board as part of the second quarter financial reports as being a high likelihood for variation. The variation related to the Waste Audits for Alpine Resorts (which could not be completed due to the impact of the pandemic on the ski season), and waste education activities being undertaken with the Waste Education Network (WEN). Transition plans were prepared for both projects and approval obtained, so that these commitments could transfer to Recycling Victoria (RV).

The primary focus of North East WRRGs budget and expenses for 2021/22 was on the delivery of regional programs, to ensure maximum value and benefit was achieved for our stakeholders.

Several administration expenses were less than projected, such as Board expenses, catering, travel and audit costs. There has been a continued focus to ensure the containment of organisational administration costs.

8.2 Significant changes in financial position

On 14 December 2021, the Circular Economy (Waste Reduction and Recycling) Act 2021 (the Act) was gazetted. This will result in the establishment of Recycling Victoria, whose Head will oversee the waste, recycling and resource recovery sector, and support the development of a circular economy. Recycling Victoria will be established as a business unit within the Department of Environment, Land, Water and Planning (DELWP) and commence operations from 1 July 2022.

The Act abolishes the seven regional Waste and Resource Recovery Groups and transfers all assets, powers, works, rights, liabilities and obligations, which also includes financial and other reporting obligations to DELWP, Recycling Victoria, as successor in law from 1 July 2022.

The going concern basis was used to prepare the financial statements as the intent of the legislation is that the substantive functions of North East WRRG will continue under DELWP, Recycling Victoria. These financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate.

The annual financial statements were authorised for issue by DELWP, the successor in law to North East WRRG on 30 December 2022.

8.3 Significant changes or factors affecting performance

The organisation has continued throughout 2021-22 to adapt the work environment to meet the challenges and changes of the coronavirus pandemic, with a staff of less than four FTE working primarily remotely from the office and achieving the delivery of our projects.

9 GRANTS AND TRANSFER PAYMENTS

The North East WRRG did not provide grants to other companies or organisations during the reporting period.

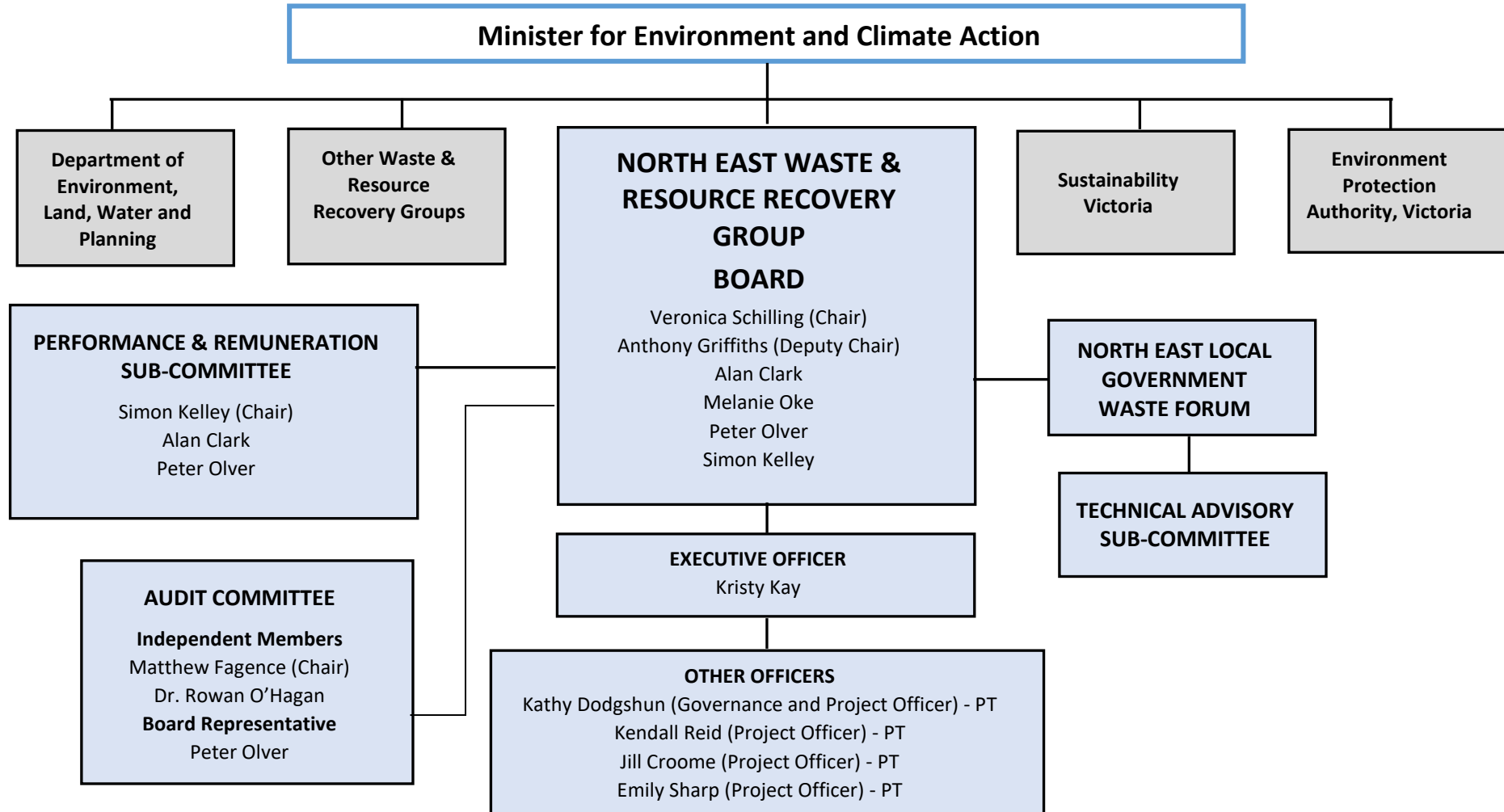
10 SUBSEQUENT EVENTS

Under section 186 of the CE Act, the North East WRRG was abolished on 30 June 2022 with DELWP, Recycling Victoria, successor in law commencing 1 July 2022. As the successor in law, on its commencement, all staff, resources, rights, property assets, debts, liabilities and obligations of North East WRRG vest in DELWP.

Part 2: Governance and Organisational Structure

11 ORGANISATIONAL STRUCTURE

North East Waste and Resource Recovery Group Organisational Chart at 30 June 2022.



12 GOVERNING BOARD

The North East WRRG is governed by a board of directors. In accordance with section 49K of the EP Act, the North East WRRG Board is appointed by the Governor in Council on the recommendation of the Minister of Environment and Climate Action.

Of the eight directors of the board, four must be nominated in accordance with section 49B by a Local Government Waste Forum and four must be recommended by the Minister.

Following the resignation of a board member in February 2019, the decision was made in consultation with DELWP not to reappoint this position in the immediate future. This was with consideration towards the potential of a future institutional governance reform made in 2021-22.

The overall role of the Board is to ensure that:

- The functions of North East WRRG are fulfilled; and
- North East WRRG establishes its governance framework and complies with that framework.

The strategic role of the Board includes planning, governance, risk management, stewardship, performance monitoring and reporting.

The North East WRRG Board is comprised of six directors (as of 30 June 2021) with ten meetings held in the 2021–22 reporting period. Each director's period of appointment and attendance record during 2021–22 is shown below.

Member	Term of Appointment	Appointment	Attended	Eligible to attend
Alan CLARKE	01/05/21 to 30/06/22	Forum-nominated	9	11
Anthony GRIFFITHS, Deputy Chair	29/4/22 to 30/06/22	General	10	11
Simon KELLEY	29/4/22 to 30/06/22	General	10	11
Melanie OKE	29/4/22 to 30/06/22	General	10	11
Peter OLVER	01/05/21 to 30/06/22	Forum-nominated	3	11
Veronica SCHILLING, Chair	01/05/21 to 30/06/22	Forum-nominated	11	11

12.1 Biography of directors

Director Veronica SCHILLING

(Chair, effective 1 May 2017)

Veronica was a former technical officer on the NevRwaste Board and was originally nominated to the Board in 2014 whilst she was the General Manager Development and Environment for Benalla Rural City Council. In 2017 the Local Government Forum nominated Veronica again in recognition of her work in rural and regional Councils both in Victoria and Queensland and experience in the sector. Her passions are in community engagement, environmental sustainability including resource recovery, recreation and events and social research.

During her time as General Manager at Benalla, Veronica oversaw the design and construction of 2 landfill cells, planning for long term rehabilitation of closed landfill cells and implementation of the food and organic bin service to the town residents. She was an active contributor to the regional collaborative procurement processes.

Veronica relocated in early 2019 to take a role with Ararat Rural City and remains the Chair of the group. Her new role as Manager Planning, Community and Compliance is responsible for waste and resource recovery strategy and kerbside collection and the new location allows her to bring more diversity to the role of Chair.

Director Anthony GRIFFITHS

(Deputy Chair, term commenced 1 August 2014)

Anthony is a director and Deputy Chair of North East WRRG Board since November 2015. Anthony works for the Australian Tax Office and is also the principle of the family beef cattle enterprise at Greta West. Anthony has served three terms as a Councillor for the Rural City of Wangaratta, including being Mayor for two years. He is currently the Deputy Chairperson of the Alpine Valleys Community Leadership Program, the Treasurer of the Greta Valley Landcare Group, Committee member of the Ovens Landcare Network and a Trustee of the historic Greta Cemetery.

Previously, he was a long-standing member of the North East Catchment Management Authority Board, a former member of the North East Water Wangaratta Community Reference Group, and a member of the Victorian Ministerial Regional Community Advisory Group on the Murray Darling Basin Plan. Anthony has been a member of the North East WRRG Board since its inception and stepped into the role of Acting Chair from October 2015 and continued until the appointment of Veronica as Chair on 30 May 2017, during which time he instigated the current framework of Chair and EO engagement with DELWP and the Minister. Throughout his time on the North East WRRG Board, Anthony has actively advocated for the collaboration at the regional level between North East WRRG and Local Government and also at the State level with other WRRG's.

Director Alan CLARK

(term commenced 01 May 2017)

Alan retired from permanent full-time work as the Director of Infrastructure Services at the Rural City of Wangaratta in early 2021. Alan has worked as a director in three councils spanning fourteen years. In each of these positions, Alan has been responsible for waste and resource recovery. Alan is now doing short term contract work and is currently the Acting CEO of Alpine Shire Council and prior to this the Director of Engineering at Etheridge Shire Council in far north Queensland. Prior to working in local government, Alan was a Winemaker and an Army Officer. Alan is passionate about the environment and for the implementation of long-term solutions to waste minimisation and the rehabilitation of existing waste sites.

Director Melanie OKE

(term commenced 1 August 2018)

Melanie is a waste management professional with over 15 years' experience. In her current role at SV, she is leading the Circular Economy Business Innovation Centre, part of the Victorian Government's Recycling Victoria policy, which she assisted to develop. In her previous role at City of Melbourne, she coordinated waste and resource recovery policy and programs. She also managed the council's waste collection and street cleaning operations for 12 months in 2014-15. Prior to joining City of Melbourne in 2009, she worked as an environmental consultant at Hyder Consulting and as a waste and litter campaign officer at Frankston City Council. She has a Bachelor of Science, Bachelor of Forest Science and a Master of Management.

While she has lived in Melbourne for many years, Melanie grew up on a small farm near Beechworth. She regularly visits the region to see her family and to go hiking in the mountains. Her passion for better waste management and her love for the North East motivated her to join the North East WRRG Board.

Director Peter OLVER

(term commenced 1 May 2017)

Peter completed his four-year term as a Mansfield Councillor in 2020-21 and two years as Deputy Mayor. He has a passion for community and for the quality of life in the North East region and has been involved in many leadership positions with local organisations.

Peter has worked as an engineer in building services project management, a consultant in training, enterprise and innovation, a community development strategist and in varied Educational settings. He has owned and operated several businesses and is currently involved in cattle production.

Director Simon KELLEY

(term commenced 1 August 2018)

Simon Kelley is an Environmental Engineer with a Masters in Economics. He has worked in the electricity generation industry for over 15 years across a range of roles; engineer, economist, policy advocate and operations leader. Simon has a long-standing interest in the resource recovery sector, starting his professional career in the late 1990's consulting on kerbside recycling, landfill design and electricity generation from landfill gas. Simon lives in the Alpine Shire and is a keen advocate for sustainable economic development in the region.

13 AUDIT COMMITTEE

In recognition of the obligations of the *Financial Management Act 1994*, at a meeting held on 13 April 2015, the North East WRRG Board agreed to establish an Audit Committee. As of 11 May 2021, the North East WRRG was granted a full exemption from the Directions and Instructions by the Assistant Treasurer on the basis DELWP's Portfolio Financial Management Compliance Framework (PFMCF) applies in its place¹.

The North East WRRG Board elected to continue with an Audit Committee to assist in maintaining a high standard of public financial management, performance and sustainability in the Victorian public sector, consistent with the FMA (whilst reducing the compliance burden).

The North East WRRG Audit Committee consisted of three members in 2021-22, the members of the audit committee are detailed below.

In 2021-22, the committee met five times with attendance detailed in the table below.

Member	Term of Appointment	Appointment	Attended	Eligible to attend
Matthew Fagence, Chair	29/10/21 to 30/06/22	Independent	5	5
Dr. Rowan O'Hagan	29/10/21 to 30/06/22	Independent	5	5
Cr. Peter Olver	27/10/21 to 30/06/22	Board Director	1	5

The role of the audit committee is to oversee and advise North East WRRG on matters of accountability and internal control affecting its operations.

The audit committee's responsibilities are set out in the Portfolio Financial Management Compliance Framework and the North East WRRG Audit Committee Charter. Key responsibilities are to include the oversight of:

- The financial performance of North East WRRG;
- The financial reporting process;
- The scope of work and performance of the internal and external auditors;
- The operation and implementation of the risk management framework;
- Matters of accountability and internal control affecting the operations of North East WRRG; and
- The effectiveness of management information systems and other systems of internal control.

Members are appointed by the board, usually for a three-year term, and are subject to the committee's terms of reference. Meetings are held quarterly and at any other time on request of a committee member of the internal or external auditor.

¹While DELWP's PFMCF follows a similar numbering convention to that of the Directions, the requirements of the PFMCF should not be used interchangeably with the Directions. Where there is a requirement under the PFMCF to apply the requirements as set out in the Directions, the PFMCF will explicitly direct this.

The North East WRRG Board would like to sincerely thank the Audit Committee for their valued support and expertise which has ensured that North East WRRG has continued to achieve a high standard of organisational governance.

13.1 Biography of Audit Committee members

Matthew FAGENCE

(Chair)

Matthew is the Director of Finance with Northeast Health Wangaratta and has vast experience in the areas of strategic risk management, financial and management reporting, and internal and external audit processes. Matthew is a Board member and member of the Finance Risk and Audit Committee at North East Local Learning and Employment Network.

Matthew is a Justice of the Peace (Qualified), holds a Master of Business Administration and Bachelor of Commerce, is a Fellow Certified Practicing Accountant (FCPA), a Certified Professional Member of the Australian Human Resources Institute (CAHRI) and a Graduate of Australian Institute of Company Directors (GAICD).

Dr. Rowan O’HAGAN

Dr. Rowan O’Hagan FAICD has a background in agricultural science, regional economics and accounting. Her current directorships include Albury Wodonga Health, where she is Chair of the Audit and Risk Committee and Indigo Power Ltd. Rowan has degrees in agricultural science, a doctorate from the University of Melbourne, and a Master of Accountancy from Charles Sturt University. She is currently the Research Development and Governance Officer at Northeast Health Wangaratta.

Rowan is a founding member of the Wangaratta Sustainability Network and the North East Regional Sustainability Alliance. She is passionate about regional Australia and committed to building vibrant and diverse regional communities through democratic decision making and access to quality services.

14 BOARD COMMITTEES

14.1 Remuneration Sub-Committee

At the first meeting of the North East WRRG Board held on 8 May 2017, the Board confirmed the constitution of the Remuneration Sub-Committee.

The Remuneration Sub-Committee consists of three Directors nominated annually by the Board, including Directors Simon Kelley (Chair), Alan Clark and Peter Olver.

The Remuneration Sub-Committee has been established to provide advice to the North East WRRG board on matters relating to the Executive Officer performance and remuneration.

The responsibilities of the Remuneration Sub-Committee include:

- Assessing the performance of the Executive Officer against contracted performance criteria, utilising the internal performance review procedure and forms;
- Support the Executive Officer in ‘other staff issues’ when required;
- Make recommendations to the board on the associated annual performance increases that should be offered to the Executive Officer where applicable; and
- Be delegated responsibility for other employment matters as directed by the board.

Meeting dates for the Forum for the 2021–22 year included:

Meeting dates	Meeting locations
21 November 2021	Online meeting
30 May 2022	Online meeting

15 OTHER COMMITTEES

15.1 North East Local Government Waste Forum

The EP Act requires the establishment of a Local Government Waste Forum (the Forum) to support the effective operation of the Board of North East WRRG.

The Forum consists of one councillor or officer representative from the councils and alpine resorts across the North East region. Only the nominated representative (or their nominated proxy) are eligible to vote.

The role of the Forum is to advise the North East WRRG Board on waste and resource recovery issues of significance to local government. The Forum plays an important networking role across the region, enabling neighbouring councils and alpine resorts to regularly share information, collaborate on projects, and undertake professional development around waste and resource recovery.

The Forum is required to nominate four council representatives to the Minister for Environment and Climate Action for appointment to the North East WRRG Board.

During the reporting period for 2021-22 the representatives to the Forum include:

Member	Member council / resort	Meetings attended
Cr. Sarah Nicholas / Cr. Kelli Prime	Alpine Shire Council	4
Cr. Danny Claridge	Benalla Rural City Council	4
Naomi Monk	Falls Creek Alpine Resort Management	4
Cr. Barbara Murdoch / Cr. Diane Shepheard	Indigo Shire Council	4
Cr. Peter Olver / Cr. Steve Rabie	Mansfield Shire Council	4
Lachlan Norris / Louise Perrin	Mt Buller Mt Stirling Alpine Resort Management	4
Nicholas Malkin / Orme Kewiish	Mt Hotham Resort Management	4
Cr. Peter Tolsher / Cr. Andrew Whitehead	Towong Shire Council	4
Alan Clark / Marcus Goonan	Rural City of Wangaratta	4
Cr. Kat Bennett / Cr. John Watson	Wodonga City Council	4

Meeting dates for the Forum for the 2021–22 year included:

Meeting dates	Meeting locations
12 August 2021	Online meeting
12 December 2021	Online meeting
17 March 2022	Online meeting
9 June 2022	In person and online meeting

15.2 Technical Advisory Sub-Committee

The Forum has also established a Technical Advisory Subcommittee (TAS), which includes a membership of council and alpine resort staff involved in waste management.

The TAS investigate, make recommendations, and provide expert advice to the forum on technical matters relevant to the delivery of waste and recycling services, including matters related to policies and strategies of state and federal government.

The TAS also assist in scoping, monitoring and guiding the delivery of projects funded by the local government and alpine resorts.

Meeting dates for the TAS for the 2021–22 year included:

Meeting dates	Meeting locations
29 July 2021	Online meeting
7 October 2021	Online meeting
18 November 2020	Online meeting
3 March 2022	Online meeting
19 May 2022	Online meeting
9 June 2022	In person and online meeting

Part 3: Workforce Data

16 PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

North East WRRG acknowledges and adheres to the *Public Administration Act 2004* which establishes seven core Victorian Public Sector Values to guide and underpin conduct and performance of directors and employee's interaction with the government, community, suppliers and other employees.

The seven core Public Sector Values include:

1. Responsiveness;
2. Integrity;
3. Impartiality;
4. Accountability;
5. Respect;
6. Leadership; and
7. Human rights.

North East WRRG is committed to the public sector values, employment and conduct principles of merit and equity as covered under the *Public Administration Act 2004*, including:

- Decisions are based on merit;
- Employees are treated fairly and reasonably;
- Equal employment opportunity is provided;
- Reasonable avenues of redress against unfair or unreasonable treatment;
- Human rights as set out in the Charter of Human Rights and Responsibilities Act 2006 are upheld; and
- The fostering of public service careers.

North East WRRG has introduced policies and practices that are consistent with the public sector employment standards and values, and provide for fair treatment, career opportunities, and the early resolution of workplace issues. Through policy reviews and the governance plan, North East WRRG keeps its employees informed of changes and updates, provides guidance on how to avoid conflicts of interest, how to respond to offers of gifts, and how it deals with misconduct.

North East WRRG is committed to the principles of equal employment opportunity and the establishment and maintenance of a non-discriminatory work environment.

North East WRRG aims to ensure that all persons are assessed solely based on merit with respect to recruitment, promotion and access to training and other programs and facilities. This approach reflects North East WRRG's desire to have a workplace free from discrimination, where each person has the opportunity to progress to the extent of their ability and the needs of the organisation.

17 OCCUPATIONAL HEALTH AND SAFETY

North East WRRG commitment to occupational health and safety (OHS) is reflected in our organisational OHS Policy and framework. Our goal is to provide and maintain a healthy work environment for all staff that is safe and without risk.

OHS including staff wellbeing is embedded and encouraged throughout North East WRRG operations. The organisation is committed to ensuring appropriate resources are available to address health and safety matters and ensure the organisation complies with relevant legislation.

During 2021-22 the North East WRRG implemented initiatives to improve OHS and mental health and wellbeing for staff, in addition to maintaining current systems:

- Additional supports in place to assist with the coronavirus pandemic including additional leave provided by the State Government, regular updates provided by DELWP and the EO to staff;

- OHS Governance framework and regular reviews (OHS Risk register, office, vehicle and first aid assessments);
- Working remotely - flexibility of working arrangements and systems to support the success of this option for all staff including policies and procedures, resources and equipment;
- OHS standard meeting agenda item - for staff and Board meetings, where all are given the opportunity to raise or discuss any OHS matters;
- Weekly online meetings rotating between formal staff meetings one week followed by wellbeing “staff check in” the following week;
- Video conferencing platforms – Microsoft Teams functionality has allowed staff to continue to work in collaboration with each other as if they were in the office. Being able to easily message, call or video has been beneficial for productivity, wellbeing, employee satisfaction and work life balance during the coronavirus pandemic;
- Regular reporting of Human Resources and OHS Risk indicators to the Board;
- Ancillary support - opportunity to receive free influenza vaccinations, access and promotion to staff (including family members) to Employee Assistance Program and current Workcover policy in place; and
- Training – opportunities to attain First Aid and CPR qualifications and annual refresher training in relation to relevant OHS governance policies and procedures.

North East WRRG’s performance report for 2021-22 and the previous five years is set out in the table below.

	2021-22	2020-21	2019-20	2018-19	2017-18
PERFORMANCE INDICATORS					
No. of reported hazards/ incidents	0	0	0	2	1
No. of lost time standard claims	0	0	0	1	0
Average cost per claim	0	0	0	4,655.76	0
Payments made to date	0	0	0	0	NA
Outstanding claims	0	0	0	0	0

18 WORKFORCE DATA

On 30 June 2022 North East WRRG employed five staff (4.2 full time equivalent), compared to four staff (3.4 time equivalent) on 30 June 2021.

Employees have been correctly classified in workforce data collections.

	2021-22		2020-21	
	Number Headcount	FTE	Number Headcount	FTE
CLASSIFICATION				
Executive officer	1	1	1	1
Project officer	4	3.2	3	2.4
Total	5	4.2	4	3.4

Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
- All employees, except the Executive Officer, are covered by the Enterprise Agreement.
- Classifications used: Executive officer refers to PEER contract, Project officer refer to VPS 4.
- Definitions used: FTE refers to full time equivalent.

19 WORKFORCE INCLUSION POLICY

The North East WRRG does not have a formal a Workforce Inclusion Policy based on the size of the organisation. However, it ensures it is an organisation where equal opportunity and diversity are valued, and that it reflects the communities we serve through our policies and practices.

20 EXECUTIVE OFFICER DATA

The following outlines the Executive Officer data for the North East WRRG:

		Number (Headcount) 2021-22
CLASSIFICATION		
Total number of executive officers reported in the notes to the financial statements		1
Total number of executive officers with remuneration over \$100,000		1
Total number of executive officers that North East WRRG notified to VPSC in the latest Public Entity Executive Remuneration Survey (PEERS).		1

See also the financial statements (Note 8.4) for Executive Officer who will be listed under 'Remuneration of responsible persons' and the total other number of executives listed under 'Remuneration of executives.'

Part 4: Other Disclosures

21 LOCAL JOBS FIRST

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

The VIPP is aimed at fostering local industry development, designed to ensure that small to medium enterprises are given full and fair opportunity to compete for Victorian government contracts.

The VIPP applies to tenders of \$3 million or more in metropolitan Melbourne and \$1 million or more in regional Victoria. There were no contracts over \$1 million awarded by North East WRRG during the 2021–22 reporting period.

22 SOCIAL PROCUREMENT FRAMEWORK

The Social Procurement Framework (SPF) enables departments and agencies to deliver greater benefits from their procurement spend. The policy harnesses the Government's buying power to increase the value of goods, services and construction by delivering social and sustainable outcomes that benefit all Victorians.

North East WRRG is committed to supporting the Government's directions under the SPF and we recognise that we play a role in social and sustainable outcomes for Victorians.

The ten SPF objectives are:

1. Opportunities for Victorian Aboriginal people.
2. Opportunities for Victorians with disability.
3. Women's equality and safety.
4. Opportunities for disadvantaged Victorians.
5. Supporting safe and fair workplaces.
6. Sustainable Victorian social enterprise and Aboriginal business sectors.
7. Sustainable Victorian regions.
8. Environmentally sustainable outputs.
9. Environmentally sustainable business practices.

In 2020, the North East WRRG adopted a Social Procurement Strategy to enable a strategic, organisation-wide approach to how it delivers social and sustainable outcomes through our procurement processes.

In that Strategy, the North East WRRG prioritised five SPF objectives – detailed in the table below.

OUTCOME SOUGHT	
OBJECTIVE PRIORITISED	
Women’s equality and safety	<p>Significant expenditure is incurred with consulting firms and North East WRRG has the opportunity to promote gender equality and adoption of family violence leave.</p> <p>North East WRRG through employment and Board positions demonstrates gender equality.</p>
Supporting safe and fair workplaces	Purchasing from entities that comply with industrial relations laws and promote secure employment.
Sustainable Victorian regions	Support services that support liveable, inclusive and sustainable communities and thriving natural environments.
Environmentally sustainable outputs	<p>Purchasing from entities that use sustainable resources and recycled products.</p> <p>Focus on local sourcing.</p> <p>Purchase where practicable 100% recycled paper – preference to products and brands manufactured by Australian Paper to support local jobs and broader social outcomes.</p> <p>Stationery to comprise recycled content.</p>
Environmentally sustainable business practices	<p>Purchasing from entities that adopt sustainable business practices for example supporting local produce farmers and small businesses.</p> <p>Promote the use of public transport where required to travel to Melbourne.</p>

North East WRRG has reviewed its procurement- and contract-related templates and updated the Acquisition of Assets, Goods and Services Policy and procedures to incorporate social procurement components and environmental sustainability.

All individual procurement activities undertaken in 2021–22 fell within the 'below threshold' band of Victoria’s SPF where social procurement approaches are encouraged but not mandatory.

While North East WRRG has prioritised the aforementioned SPF objectives, the organisation is committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians in our procurement activities.

23 GOVERNMENT ADVERTISING EXPENDITURE

The North East WRRG’s advertising expenditure in the 2021–22 reporting period on government campaign expenditure did not exceed \$100,000.

24 CONSULTANCY EXPENDITURE

24.1 Details of consultancies (valued at \$10,000 or greater)

In 2021–22, there were six consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021–22 in relation to these consultancies is \$660,742.21 (excl. GST).

	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (excl. GST)	EXPENDITURE 2020-2021 (excl. GST) \$	FUTURE EXPENDITURE (excl. GST) \$
CONSULTANCY EXPENDITURE						
ArcBlue Consulting	Collaborative Procurement	01/07/2021	31/12/22	145,439	74,837	60,000
EC Sustainable Pty Ltd	Kerbside & Waste Audits	01/07/2021	30/09/2022	124,028	104,028	20,000
Landell Probity Pty Ltd	Collaborative Procurement	01/07/2021	02/02/2023	45,850	22,679	21,691
Rawtec Pty Ltd	Kerbside Transition Planning	01/07/2021	09/06/22	85,000	78,119	0
	Collaborative Procurement	01/07/2021	31/12/2022	106,933	94,371	21,635
Toustone Pty Ltd	Data Platform	01/07/2021	31/12/2022	66,000	55,675	7,560
Waste Audit & Consultancy Services (Aust) Pty Ltd	PPR Audits & Assessment	01/07/2021	09/06/2022	96,513	96,513	0

24.2 Detail of consultancies (valued at less than \$10,000)

In 2021-22, there were 13 consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2021-221 in relation to these consultancies was \$51,845 (excl. GST).

25 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2021–22 reporting period, North East WRRG had a total ICT expenditure of \$2,936.50 with details shown below.

ALL OPERATIONAL ICT EXPENDITURE	ICT EXPENDITURE RELATING TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
Business as Usual (BAU) ICT Expenditure	Non-Business as Usual (non-BAU) ICT Expenditure	Operational Expenditure (OPEX)	Capital Expenditure (CAPEX)
(Total)	(Total = Operational expenditure and Capital Expenditure)		
3,134.98	-	-	-

Notes:

- ICT expenditure refers to North East WRRG'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 North East WRRG'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.

26 MAJOR CONTRACTS

North East WRRG did not enter into any major contracts during 2021-22.

A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.

27 FREEDOM OF INFORMATION

North East WRRG is a State Statutory Agency under the *EP Act 2017*, and so is a 'Government Agency' under the terms of the *Freedom of Information Act 1982*.

The North East WRRG Board has determined that the Authorised Officer is the Executive Officer.

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by North East WRRG. 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.

An applicant has a right to apply for access to documents held by North East WRRG. This comprises documents both created by North East WRRG or supplied to North East WRRG by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by North East WRRG is available on North East WRRG's website under its Part II Information Statement.

Information available includes details of consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement. These details have been included in the above report.

The Act allows North East WRRG to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to North East WRRG in confidence.

The Act was amended on 1 September 2017 to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by North East WRRG, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

27.1 Making a request

FoI requests can be lodged online at www.foi.vic.gov.au. An application fee of \$30.60 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to North East WRRG's Freedom of Information Officer, as detailed in s17 of the *Freedom of Information Act 1982*.

When making an FoI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of North East WRRG should be addressed to:

Recycling Victoria
Level 1, 8 Nicholson St
East Melbourne, VIC, 3002
By email: recycling.victoria@delwp.vic.gov.au

27.2 Freedom of Information Statistics

During 2021-22, North East WRRG received no FOI applications.

27.3 Further Information

Further information regarding the operation and scope of Freedom of Information; regulations made under the Act; and www.foi.vic.gov.au.

28 COMPLIANCE WITH THE BUILDING ACT 1993

North East WRRG 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*.

29 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.

North East WRRG continues to comply with the requirements of the Competitive Neutrality Policy.

30 PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosure Act 2012* (PID Act) enables people to make disclosures about corrupt or improper conduct by public officers and public bodies.

North East WRRG is a public body for the purposes of the PID Act.

30.1 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.

30.2 How do I make a public interest disclosure?

You can make a public interest disclosure about North East WRRG or its board members, officers or employees by contacting IBAC (details below).

North East WRRG is **not** able to receive public interest disclosures.

North East WRRG has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about North East WRRG, its board members or its employees. You can access:

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

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

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

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

31 OFFICE BASED ENVIRONMENTAL IMPACTS

North East WRRG employs five staff that would usually operate from a leased premise in Wangaratta. As a result of the pandemic, all employees worked predominately from home during this period.

North East WRRG is committed to reducing the amount of waste and maximising the amount of reused and recycled resources within the office environment. This can be demonstrated through:

- Paper use – the decreased paper use has continued in 2021-22 with no purchases due to staff working remotely from the office and moving to a paperless finance system. The benefits of a paperless system have flowed across to other areas of the business further reducing costs and providing a more effective and efficient electronic form of record keeping.
- Environmentally sound purchasing - advocates for the purchase of recycled content products in our daily operations including the reuse of items where possible.
- Teleconferencing – these options reduce travel costs and environmental impacts significantly. Staff utilise Microsoft Teams, Skype and Zoom to avoid unnecessary business travel. During the coronavirus, access to all these platforms has been pivotal to enable business to continue as usual and assisted in reducing operating costs.
- Travel and transport – North East WRRG maintain one company vehicle. Staff are encouraged to use public transport where possible including train travel and carpooling for meetings in Melbourne or to attend conferences (if teleconference is not available).

32 STATEMENT OF AVAILABILITY OF OTHER INFORMATION

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by North East WRRG and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) details of publications produced by North East WRRG about itself, and how these can be obtained;
- (b) details of any major external reviews carried out on North East WRRG;
- (c) details of major research and development activities undertaken by North East WRRG;
- (d) details of major promotional, public relations and marketing activities undertaken by North East WRRG to develop community awareness of the entity and its services; and
- (e) details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Recycling Victoria
Level 1, 8 Nicholson St
East Melbourne, VIC, 3002
By email: recycling.victoria@delwp.vic.gov.au

32.1 Additional information included in annual report

Details in respect of the following items have been included in North East WRRG's annual report, on the pages indicated below:

- (f) assessments and measures undertaken to improve the occupational health and safety of employees on pages 34 and 35;
- (g) a list of North East WRRG's major committees, the purposes of each committee, and the extent to which the purposes have been achieved on pages 28 to 33;
- (h) a statement of completion of declarations of pecuniary interests by relevant officers is available.

32.2 Information that is not applicable to North East WRRG

The following information is not relevant to North East WRRG for the reasons set out below:

- (i) a declaration of shares held by senior officers (no shares have ever been issued in North East WRRG).
- (j) details of overseas visits undertaken (no board members or senior executives took overseas work-related trips).

Portfolio Financial Management Compliance Framework (PFMCF) & Financial Reporting Directions

I, John Bradley, on behalf of the Responsible Body, certify that North East Waste and Resource Recovery Group has been granted an exemption from the *Standing Directions 2018* under the *Financial Management Act 1994* (FMA) and Instructions. This exemption has been granted by the Assistant Treasurer on the basis North East Waste and Resource Recovery Group complies with the Department of Environment, Land, Water and Planning's Portfolio Financial Management Compliance Framework.



John Bradley

Secretary

Department of Environment, Land, Water and Planning

30 December 2022

33 FINANCIAL STATEMENTS

33.1 Accountable Officer's declaration

33.1.1 Financial Auditing

Financial auditing is under the control of the Victorian Auditor-General's Office. That office appointed Ryan Schischka of Johnsons MME as the audit service provider in respect to the audit of the Group's financial statements for the period ended June 30, 2022.

33.1.2 Declaration under Direction 9.1.3(iv) of the *Financial Management Act 1994*

In accordance with Direction 9.1.3(iv) of the *Financial Management Act 1994*, North East WRRG will make all relevant information, such as declarations of pecuniary interest and details of overseas visits etc, available to the Assistant Treasurer on request.

33.2 Report on the utilisation of landfill levy funds received

In 2021–22, North East WRRG received \$744,512 in direct funding from the landfill levy funding.

These funds were utilised to maintain the core costs of the organisation which are displayed below.

A number of waste and resource recovery project expenses were also supported as outlined within our financial statements.

DESCRIPTION	
EXPENSES	
Administration Expense	131,703
Employee costs	592,954
Total	724,657

North East Waste and Resource Recovery Group

ABN: 27 805 031 612

Accountable Officer and Chief Finance Officer declaration

The attached financial statements for North East WRRG have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2022 and financial position of North East WRRG at 30 June 2022.

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 30 December 2022.



Bronwyn DiCarlo

Executive Director, Finance

Department of Environment, Land, Water and Planning

30 December 2022



John Bradley

Secretary

Department of Environment, Land, Water and Planning

30 December 2022

Independent Auditor's Report

To the Secretary of the Department of Energy, Environment and Climate Action for the North East Waste and Resource Recovery Group

Opinion	<p>I have audited the financial report of the North East Waste and Resource Recovery Group (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Accountable Officer and Chief Finance Officer declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 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>
Secretary's responsibilities for the financial report	<p>The Secretary of the Department of Energy, Environment and Climate Action 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 Secretary 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 Secretary 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 Secretary
- conclude on the appropriateness of the Secretary'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 Secretary 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
18 January 2023



Paul Martin
as delegate for the Auditor-General of Victoria

**Comprehensive operating statement
For the financial year ended 30 June 2022**

	Notes	2022 \$	2021 \$
Revenue and income from transactions			
Grants	2.2	895,786	1,032,843
Interest income	2.3	2,254	1,295
Other income	2.4	789	6,883
Total revenue and income from transactions		<u>898,829</u>	<u>1,041,021</u>
Expenses from transactions			
Administration	3.2	131,703	108,713
Employee costs	3.3	592,954	440,959
Regional program costs	3.4	698,686	449,352
Depreciation	4.1(b)	18,778	19,575
Interest expense	5.3 (a)	122	198
Total expenses from transactions		<u>1,442,243</u>	<u>1,018,797</u>
Net result from transactions		<u>(543,414)</u>	<u>22,224</u>
Comprehensive result		<u>(543,414)</u>	<u>22,224</u>

Balance Sheet
As at 30 June 2022

	Notes	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6.3	464,909	819,791
Trade and other receivables	5.1	42,245	180,008
Other assets		53	10,196
Total current assets		507,207	1,009,995
Non-current assets			
Property, plant and equipment	4.1	27,853	30,775
Total non-current assets		27,853	30,775
Total assets		535,060	1,040,770
Liabilities			
Current liabilities			
Trade and other payables	5.2	39,243	46,799
Employee benefits	3.5	99,750	60,352
Borrowings	6.1	8,562	9,830
Total current liabilities		147,555	116,981
Non-current liabilities			
Employee benefits	3.5	11,291	4,161
Total non-current liabilities		11,291	4,161
Total liabilities		158,846	121,142
Net assets		376,214	919,628
Equity			
Contributed capital		148,463	148,463
Accumulated surplus		227,751	771,165
Net worth		376,214	919,628

Statement of changes in equity
For the financial year ended 30 June 2022

2021

	Contributed capital	Accumulated surplus	Total
	\$	\$	\$
Balance at 1 July 2020	148,463	748,941	897,404
Net result from transactions for the year	-	22,224	22,224
Total comprehensive result for the year	-	22,224	22,224
Balance at 30 June 2021	148,463	771,165	919,628

2022

	Contributed capital	Accumulated surplus	Total
	\$	\$	\$
Balance at 1 July 2021	148,463	771,165	919,628
Net result from transactions for the year	-	(543,414)	(543,414)
Total comprehensive result for the year	-	(543,414)	(543,414)
Balance at 30 June 2022	148,463	227,751	376,214

Cash Flow Statement
For the financial year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from landfill levy		744,512	637,617
Receipts from regional projects and grants		167,333	256,402
Receipts from member contributions		142,532	142,077
Net GST received/(paid)		(68,724)	(31,657)
Payments to suppliers and employees		(1,326,333)	(989,615)
Lease interest paid (a)		(122)	(198)
Interest received		2,254	1,295
Other receipts		789	6,883
Net cash flows from operating activities	6.4	<u>(337,759)</u>	<u>22,804</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4.1	<u>(2,176)</u>	<u>(2,112)</u>
Net cash flows from/(used in) investing activities		<u>(2,176)</u>	<u>(2,112)</u>
Cash flows from financing activities			
Repayment of principle portion of lease liabilities (a)		<u>(14,947)</u>	<u>(14,040)</u>
Net cash flows from/(used in) financing activities		<u>(14,947)</u>	<u>(14,040)</u>
Net increase/(decrease) in cash and cash equivalents		(354,882)	6,652
Cash and cash equivalents at beginning of financial year		819,791	813,139
Cash and cash equivalents at end of financial year	6.3	<u><u>464,909</u></u>	<u><u>819,791</u></u>

(a) North East Waste and Resource Recovery Group has recognised cash payments for the principle portion of lease payments as financing activities and cash payments for the interest portion as operating activities.

Note 1 About this report

Basis of Preparation

The North East Waste and Resource Recovery Group (NE WRRG) is a statutory agency of the state of Victoria, established on 1 August 2014 by section 49C(1) of the *Environment Protection Act 1970*.

The financial report of North East Waste and Resource Recovery Group (NE WRRG) is a general purpose report that consists of a Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flows Statement and notes accompanying these statements. The general purpose financial report complies with Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Financial Management Act 1994* and applicable Ministerial Directions (FRD). In particular, they are prepared in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Where applicable, those paragraphs of the Australian Accounting Standards applicable to not-for-profit have been applied.

The registered office of the group is:

North East Waste and Resource Recovery Group
62-68 Ovens Street
Wangaratta VIC 3677

The principle place of business is:

North East Waste and Resource Recovery Group
62-68 Ovens Street
Wangaratta VIC 3677

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Group.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the group's operational cycle see note 3.5 for a variation in relation to employee benefits.

The preparation of financial statements in conformity with Australian Accounting Standards and FRD's requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgements. Actual results may differ from the estimates.

The most significant accounting estimates undertaken in preparation of this financial report relate to:

- Estimation of useful life;
- Employee benefit provisions;
- Determining whether a performance obligation is sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058;
- The timing of satisfaction of performance obligations;
- Determining transaction price and amounts allocated to performance obligations;
- Impairment of assets;
- Estimating the discount rate value not implicitly in the lease

The financial statements are presented in Australian dollars, which is the NE WRRG's functional and presentation currency.

Coronavirus global Health Pandemic

In 2020 a viral pneumonia caused by a previously unknown pathogen emerged internationally. The pathogen was identified as a novel coronavirus subsequently named Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-Cov-2). More commonly known as Coronavirus it causes the illness known as Coronavirus disease 2019 (COVID-19).

Government responses to restrict the spread of this virus have included travel restrictions, both nationally and internationally, social distancing guidelines, declarations of State of Emergency across the nation, and implementation of lock-downs across the Country.

Whilst measures managed to limit the transmission of coronavirus, the effects on the economy have been significant.

NE WRRG has implemented a Covid Safe Plan which has included working from home during restriction periods. Whilst some projects have experienced minor delays and some events cancelled or rescheduled, the impact of coronavirus and the resulting Government imposed restrictions have not had a significant impact on NE WRRG's operations during the 2021/2022 year. Coronavirus has not resulted in a change to the judgements and/or assumptions applied with the preparation of this financial report.

Going Concern Basis/Significant Events

Establishment of Recycling Victoria and abolishment of the Waste Resource Recovery Groups

On 14 December 2021, the Circular Economy (Waste Reduction and Recycling) Act 2021 (the Act) was gazetted.

This resulted in the establishment of Recycling Victoria, whose Head will oversee the waste, recycling, and resource recovery sector and support the development of a circular economy.

Recycling Victoria has been established as a business unit within the Department of Environment, Land, Water and Planning (DELWP) and commenced operations from 1 July 2022.

The Act abolished the seven Waste and Resource Recovery Groups (WRRG's) on 1 July 2022, which includes the NE WRRG.

It transferred all WRRG's assets, powers, works, rights, liabilities and obligations, which also included financial and other reporting obligations to the DELWP, Recycling Victoria, commencing as successor in law on 1 July 2022.

All employees of the WRRG's transferred to Recycling Victoria on its commencement date.

In accordance with FRD119 Transfers Through Contributed Capital, the transfer of all assets and liabilities by the WRRG's to the DELWP is recognised as a direct adjustment to equity and designated as Distributions to Owners.

DELWP will account for the transfer in its 30 June 2023 financial report as a Contribution by Owner.

The seven WRRG's will not prepare a financial report for the financial year ended 30 June 2023 as their date of abolishment and transfer of assets and liabilities occurred on the first day of the financial year, 1 July 2022.

- There was no change in the carrying amounts, which are reported at fair value, of assets or liabilities between 30 June 2022 financial reporting date, and 1 July 2022 date of abolishment of the WRRG's.
- The carrying amounts of assets and liabilities transferred are disclosed in the WRRG's Balance Sheet for the year ended 30 June 2022 included in this financial report.

The going concern basis was used to prepare the financial statements as the intent of the legislation is that the substantive functions, rights and obligations of WRRG's will continue under Recycling Victoria.

The annual financial statements were authorised for issue by DELWP – the successor in law to NE WRRG on 7 November 2022.

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

Note 2 Funding delivery of our services

NE WRRG's purpose is to work with seven municipal districts and three alpine resort management areas in North East Victoria, the Victorian Government environment portfolio and the regional waste and recovery groups, industry, business and the community to plan, facilitate and deliver an integrated and sustainable waste and resource recovery system.

Note 2.1 Summary of revenue and income that funds the delivery of our services

		2022	2021
		\$	\$
	Note		
Grants	2.2	895,786	1,032,843
Interest income	2.3	2,254	1,295
Other Income	2.4	789	6,883
		<u>898,829</u>	<u>1,041,021</u>

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transactions will flow to NE WRRG and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Note 2.2 Grants

	2022	2021
	\$	\$
<i>Income recognised as income of not-for-profit entities</i>		
Landfill levy	585,921	634,364
Local government forum contributions	142,532	142,077
Kerbside Transition Planning	-	89,958
Recycling Victoria	167,333	166,444
	<u>895,786</u>	<u>1,032,843</u>

NE WRRG has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when NE WRRG has an unconditional right to receive cash which usually coincides with receipt of cash.

Note 2.3 Interest Income

	2022	2021
	\$	\$
Interest on bank deposits	2,254	1,295
Total Interest	<u>2,254</u>	<u>1,295</u>

Interest income includes interest received on bank term deposits. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

Note 2.4 Other Income

	2022	2021
	\$	\$
Rendering of services	789	6,883
Total Other Income	<u>789</u>	<u>6,883</u>

Other income is recognised when the right to receive payment is established.

Note 3 The cost of delivering services

This section provides an account of the expenses incurred by the NE WRRG in delivering services and outputs.

Note 3.1 Expenses incurred in delivery of services

		2022	2021
		\$	\$
	Note		
Administration	3.2	131,703	108,713
Employee costs	3.3	592,954	440,959
Regional program costs	3.4	698,686	449,352
		<u>1,423,344</u>	<u>999,024</u>

Note 3.2 Administration

	2022	2021
	\$	\$
Accounting, audit and bookkeeping	64,444	57,959
Catering	3,983	239
Cleaning and outgoings	6,402	7,428
Computer expenses	939	1,858
Conferences and professional development	4,035	1,090
Director expenses and allowances	21,761	12,423
General office equipment and repairs	23	259
Insurance	10,006	9,926
Legal fees	14,527	11,245
Membership and subscriptions	510	360
Motor vehicle	1,458	2,021
Printing, postage and stationery	222	101
Stakeholder communications	-	677
Telephone and internet	2,245	2,132
Travel and accommodation	698	21
Other operating expenses	450	974
Total administration	<u>131,703</u>	<u>108,713</u>

Administration expenses generally represent the day-to-day running costs incurred in normal operations.

Administration expenses are recognised as an expense in the reporting period in which they are incurred.

Note 3.3 Employee costs

	2022	2021
	\$	\$
Salaries and Wages	540,614	401,724
Employer superannuation contributions	49,765	37,721
Other	2,575	1,514
Total employee costs	<u>592,954</u>	<u>440,959</u>

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

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by NE WRRG to the relevant superannuation plans in respect to the services of NE WRRG'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 NE WRRG is required to comply with.

Note 3.4 Regional program costs

	2022	2021
	\$	\$
Consultants and contractors	662,703	420,824
Project materials and supplies	35,983	28,528
Total regional program costs	<u>698,686</u>	<u>449,352</u>

Regional program costs represent all costs directly associated with the delivery of projects and programs to relevant stakeholders.

Regional program costs are recognised as an expense in the reporting period in which they are incurred.

Note 3.5 Employee benefits in the balance sheet

	2022	2021
	\$	\$
Current provisions		
Annual leave		
- Unconditional and expected to settle within 12 months	25,516	12,898
- Unconditional and expected to settle after 12 months	32,813	22,966
- Time in lieu	11,025	198
Long service leave		
- Unconditional and expected to settle after 12 months	18,523	15,871
	<u>87,877</u>	<u>51,933</u>
Provisions for on-costs		
- Unconditional and expected to settle within 12 months	4,847	2,689
- Unconditional and expected to settle after 12 months	7,026	5,730
	<u>11,873</u>	<u>8,419</u>
Total Current Provision	<u>99,750</u>	<u>60,352</u>
Non-current provisions		
- Employee benefits	10,168	3,764
- On-costs	1,123	397
Total non-current provisions for employee benefits	<u>11,291</u>	<u>4,161</u>
Total provisions for employee benefits	<u>111,041</u>	<u>64,513</u>
Reconciliation of movement in on-cost provision		
Opening balance	8,816	
Additional provisions recognised	7,663	
Reductions arising from payments/other sacrifices of future economic benefits	<u>(3,482)</u>	
Closing balance	<u>12,996</u>	
Current	11,873	
Non-current	1,123	

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because NE WRRG does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As NE WRRG expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as NE WRRG does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 recognised in the Statement of Comprehensive Income as it is taken.

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 NE WRRG 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:

- undiscounted value - if NE WRRG expects to wholly settle within 12 months; and
- present value - if NE WRRG does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability because 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.

On-costs

On-costs such as payroll tax, workers compensation and superannuation are recognised separately within provision for employee benefits.

Note 4 Key assets available to support output delivery

NE WRRG controls property, plant and equipment that is utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to NE WRRG to be utilised for delivery of those outputs.

Note 4.1 Property, plant and equipment

	2022	2021
	\$	\$
Furniture, fixtures and fittings		
At fair value	20,421	18,245
Accumulated depreciation	(15,360)	(12,700)
Net carrying amount of furniture, fixtures and fittings	<u>5,061</u>	<u>5,545</u>
Motor vehicles		
At fair value	30,052	30,052
Accumulated depreciation	(17,043)	(14,041)
Net carrying amount of motor vehicles	<u>13,009</u>	<u>16,011</u>
Buildings (Right-of-use assets)		
At fair value	14,756	35,559
Accumulated depreciation	(4,973)	(26,340)
Net carrying amount of buildings	<u>9,783</u>	<u>9,219</u>
Net carrying amount of property, plant and equipment	<u>27,853</u>	<u>30,775</u>

Each class of property, plant and equipment is carried at fair value as indicated less, where applicable, accumulated depreciation and any impairment losses.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

Where NE WRRG is able to demonstrate that there is no evidence that reliable market-based fair value (or other fair value indicators) exist for these assets, depreciated replacement cost could represent a reasonable approximation of fair value.

Impairment of Assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As NE WRRG is a non-for-profit entity for reporting purposes, the value in use is the depreciated replacement cost of the asset.

Fair Value

Consistent with AASB 13 *Fair Value Measurement*, NE WRRG determines the policies and procedures for recurring fair value measurements such as property, plant and equipment and financial instruments and for non recurring fair value measurements such as assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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

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

For the purpose of fair value disclosures, NE WRRG has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, NE WRRG determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NE WRRG, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Reconciliation of movements in carrying amount of property, plant and equipment

Movement in the carrying amounts for each class of buildings, fixtures and fittings, and motor vehicles between the beginning and the end of the current financial period:

	Buildings	Furniture, fixture & fittings	Motor vehicles	Total
	\$	\$	\$	\$
Carrying amount at 1 July 2020	22,389	6,143	19,706	48,238
Additions	-	2,112	-	2,112
Depreciation	(13,170)	(2,710)	(3,695)	(19,575)
Carrying amount 30 June 2021	<u>9,219</u>	<u>5,545</u>	<u>16,011</u>	<u>30,775</u>
Carrying amount at 1 July 2021	9,219	5,545	16,011	30,775
Additions	13,680	2,176	-	15,856
Depreciation	(13,116)	(2,660)	(3,002)	(18,778)
Carrying amount 30 June 2022	<u>9,783</u>	<u>5,061</u>	<u>13,009</u>	<u>27,853</u>

The table above also represents a reconciliation of the movement in level 3 fair value assets.

Note 4.1 (a) Total right-of-use assets: buildings

The following tables are subsets of buildings, and plant and equipment by right-of-use assets.

	Gross carrying amount 2022 \$	Accumulated depreciation 2022 \$	Net carrying amount 2022 \$
Buildings at fair value	14,756	4,973	9,783
Net carrying amount	14,756	4,973	9,783
	Gross carrying amount 2021 \$	Accumulated depreciation 2021 \$	Net carrying amount 2021 \$
Buildings at fair value	35,559	26,340	9,219
Net carrying amount	35,559	26,340	9,219
			Buildings
			\$
Opening balance - 1 July 2020 (a)			22,389
Depreciation			(13,170)
Closing balance - 30 June 2021			9,219
Opening balance - 1 July 2021			9,219
Additions			13,680
Depreciation			(13,116)
Closing balance - 30 June 2022			9,783

Right-of-use asset acquired by lessees (Under AASB 16 Leases from 1 July 2019) – Initial measurement

Rights of use assets are subsequently remeasured at fair value. NEWRRG recognises 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.

Right-of-use asset – Subsequent measurement

Right-of-use assets are subsequently remeasured at fair value.

NE WRRG 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.

Note 4.1 (b) Depreciation and amortisation

	2022 \$	2021 \$
Charge for the period		
Furniture, fixture and fittings	2,660	2,710
Motor vehicles	3,002	3,695
Buildings	13,116	13,170
Total depreciation and amortisation	18,778	19,575

The depreciable amount of all fixed assets is depreciated using either the straight line (SL) method or diminishing value (DV) method over the asset's useful life to NE WRRG commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Asset	Depreciation Rate 2021
Furniture, fixtures and fittings	10.00 - 50.00% (SL)
Motor Vehicles	18.75% (DV)
Buildings:	
Leased assets	37.00% (SL)

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where NE WRRG obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Note 4.1 (b) Depreciation and amortisation (continued)

a) Fair value measurement hierarchy for assets as at 30 June 2022

	Carry amount as at 30 June 2022	Fair value measurement at end of reporting period using:			
		Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$
Property, plant and equipment at fair value					
Buildings	9,783	-	-	9,783	9,783
Furniture, fixture & fittings	5,061	-	-	5,061	5,061
Motor vehicles	13,009	-	-	13,009	13,009
Total of furniture, fixtures and fittings, and motor vehicles at fair value	27,853	-	-	27,853	27,853

	Carry amount as at 30 June 2021	Fair value measurement at end of reporting period using:			
		Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$
Property, plant and equipment at fair value					
Buildings	9,219	-	-	9,219	9,219
Furniture, fixture & fittings	5,545	-	-	5,545	5,545
Motor vehicles	16,011	-	-	16,011	16,011
Total of furniture, fixtures and fittings, and motor vehicles at fair value	30,775	-	-	30,775	30,775

There were no transfers between levels during the financial year.

Furniture, fixture and fittings

Furniture, Fixture and Fittings are held at fair value. When fixtures and fittings are specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

Motor vehicles

Motor vehicles are valued using the depreciated replacement cost method. NE WRRG acquires new vehicles and at times disposes of them at the end of their economic life.

There were no changes in valuation techniques throughout the period to 30 June 2022. For assets measured at fair value the current use is considered the highest and best use.

b) Description of significant unobservable inputs to Level 3 valuations

	Valuation Technique	Significant unobservable inputs
Furniture, Fixture and Fittings	Depreciated replacement cost	Cost per unit
		Useful life of furniture, fixture and fittings
Motor vehicles	Depreciated replacement cost	Cost per unit
		Useful life of vehicles
Buildings	Depreciated replacement cost	Cost per unit
		Useful life of buildings

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the NE WRRG's controlled operations.

Note 5.1 Trade and other receivables

	2022	2021
	\$	\$
Current Contractual		
Trade receivables	-	158,591
	-	158,591
Statutory		
GST receivable	42,244	21,417
Total current trade and other receivables	42,244	180,008

As at 30 June 2022 all receivables are not past due and are considered to be fully recoverable.

Refer to note 7.1.1 (b) for the maturity analysis of receivables.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables.

Receivables consists of:

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. NE WRRG holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment. NE WRRG receivables are generally from State or Local Government agencies.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. NE WRRG applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

At balance date and during the year, there were was no expected or incurred loss as a result of receivables not being paid (2021: Nil).

Goods and services tax (GST)

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

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 5.2 Trade and other payables

	2022	2021
	\$	\$
Current		
Contractual		
Trade payables	2,156	28,870
Sundry payables and accrued expenses	577	3,432
	<u>2,733</u>	<u>32,302</u>
Statutory		
PAYG Payable	36,510	14,497
	<u>36,510</u>	<u>14,497</u>
Total current trade and other payables	<u>39,243</u>	<u>46,799</u>

Please refer to Note 7.1.1 (b) for the maturity analysis of trade and other payables.

Payables consist of:

- contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to NE WRRG prior to the end of the financial year that are unpaid, and arise when NE WRRG 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 payables.

Contractual payables are classified as financial instruments and measured 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 cost, because they do not arise from a contract.

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

Note 5.3 Leases

NE WRRG leases an office property. The lease contract is for a fixed period of 1 year.

Note 5.3 (a) Amounts recognised in the Statement of Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where NE WRRG is a lessee are shown below:

	2022	2021
	\$	\$
Interest expense on lease liabilities	122	198
Depreciation of right-of-use assets	13,116	13,170
	<u>13,238</u>	<u>13,368</u>

Note 5.3 (b) Amounts recognised in the Statement of Cashflows

Lease interest paid	122	198
Repayment of principal portion of lease liabilities	14,947	14,040
Total cash outflow for leases	<u>15,069</u>	<u>14,238</u>

Interest expense includes costs incurred in connection with the borrowing of funds and includes the interest component of lease repayments.

For any new contracts entered into on or after 1 July 2019, NE WRRG 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 NE WRRG 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 NE WRRG and for which the supplier does not have substantive substitution rights;
- Whether NE WRRG 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 NE WRRG has the right to direct the use of the identified asset throughout the period of use; and
- Whether NE WRRG 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

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 NE WRRG'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

NE WRRG 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. As at 30 June 2021 NE WRRG was not a lessee of any short-term or low-value leases.

Presentation of right-of-use assets and lease liabilities

NE WRRG presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as separately in the balance sheet.

Note 6 Financing our operations

This section provides information on the sources of finance utilised by NE WRRG during its operations and other information related to financing the activities of the NE WRRG.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Note 6.1 Borrowings

	2022	2021
	\$	\$
Current borrowings		
Lease liabilities (a)	8,562	9,231
Telephone finance liability	-	599
Total current borrowings	<u>8,562</u>	<u>9,830</u>
Total borrowings	<u>8,562</u>	<u>9,830</u>

(a) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost.

Maturity analysis of lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
2022	\$	\$	\$	\$	\$	\$	\$	\$
Lease liabilities	8,562	8,608	1,230	2,460	4,918	-	8,608	8,562
Total	<u>8,562</u>	<u>8,608</u>	<u>1,230</u>	<u>2,460</u>	<u>4,918</u>	<u>-</u>	<u>8,608</u>	<u>8,562</u>

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
2021	\$	\$	\$	\$	\$	\$	\$	\$
Lease liabilities	9,231	9,273	1,159	3,477	4,637	-	9,273	9,231
Total	<u>9,231</u>	<u>9,273</u>	<u>1,159</u>	<u>3,477</u>	<u>4,637</u>	<u>-</u>	<u>9,273</u>	<u>9,231</u>

	2022	2021
	\$	\$
Interest expense		
Interest on lease liabilities	122	198
Total interest expense	<u>122</u>	<u>198</u>

Interest expense includes costs incurred in connection with the borrowing of funds and includes the interest component of lease repayments.

Note 6.2 Commitment for expenditure

There were no commitments for expenditure as at 30 June 2022 (2021: nil).

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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.

Note 6.3 Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	464,909	819,791
Total cash and cash equivalents as stated in the balance sheet	<u>464,909</u>	<u>819,791</u>

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Note 6.4 Cash flow information

	2022	2021
	\$	\$
Reconciliation of cash flow from the operations with net result		
Net result for the period	(543,414)	22,224
Non-cash flows in profit		
Depreciation	18,778	19,575
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	137,763	(13,989)
(Increase)/decrease in other assets	10,143	(271)
Increase/(decrease) in trade and other payables	(7,556)	(1,872)
Increase/(decrease) in employee benefits	46,527	(2,863)
Net cash flows from operating activities	<u>(337,759)</u>	<u>22,804</u>

Note 7 Risks and judgement

NE WRRG is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific judgement to be applied, which for the NE WRRG related mainly to fair value determination.

Financial instruments

Recognition

Financial instruments are initially measured at fair value, plus transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured at amortised cost using the effective interest method less any impairment.

Note 7.1 Financial risk management

NE WRRG's financial instruments consist mainly of deposits with banks, trade & other payables, lease liabilities and trade & other receivables.

Note 7.1.1 Financial instruments: Categorisation

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2022	2021
		\$	\$
Financial assets	Note		
Cash and cash equivalents	6.3	464,909	819,791
Trade and other receivables	5.1	-	158,591
Total financial assets		<u>464,909</u>	<u>978,382</u>
Financial liabilities	Note		
Financial liabilities at amortised cost			
Trade and other payables	5.2	2,733	32,302
Borrowings	6.1	8,562	9,830
Total financial liabilities		<u>11,295</u>	<u>42,132</u>

Financial risk management policies

NE WRRG's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The Board and Executive Officer are responsible for monitoring and managing the financial risks of NE WRRG. They monitor these risks through management meetings where reports are presented and analysed. NE WRRG does not enter into derivative instruments and does not speculate in any type of financial instruments.

Specific financial risk exposures and management

The main risks NE WRRG is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to NE WRRG. NE WRRG's exposure to credit risk is through its receivables balance which relates mainly to the grant funding receivable from Sustainability Victoria and Regional Development Victoria, the risk is not considered significant.

b) Liquidity risk

Liquidity risk arises from the possibility that NE WRRG might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. NE WRRG manages this risk by maintaining adequate cash reserves and continually monitoring the NE WRRG's expenditure commitments and cash flow needs.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	2,733	32,302	-	-	-	-	2,733	32,302
Borrowings	8,562	9,830	-	-	-	-	8,562	9,830
Total expected outflows	<u>11,295</u>	<u>42,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,295</u>	<u>42,132</u>
Financial assets - cash flows								
Cash and cash equivalents	464,909	819,791	-	-	-	-	464,909	819,791
Trade and other receivables	-	158,591	-	-	-	-	-	158,591
Total anticipated inflows	<u>464,909</u>	<u>978,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,909</u>	<u>978,382</u>
Net (outflow)/inflow on financial	<u>453,614</u>	<u>936,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453,614</u>	<u>936,250</u>

Weighted average effective interest rate on cash and cash equivalents is 0.35% (2021 0.16%).

c) Market risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of NE WRRG's financial instruments. Market risk comprises of foreign exchange risk, interest rate risk and other price risk. NE WRRG'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 manage these risks are disclosed in the paragraphs below:

Interest rate risk

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

Note 7.1.2 Financial Risk Management

Sensitivity analysis

NE WRRG has performed a sensitivity analysis relating to its exposure to interest rate risk, which is limited to its cash holdings with financial institutions. The analysis demonstrates the potential impact on current year results and equity based on a 1% movement in interest rates.

	2022		2021	
	+1% Profit	-1% Equity	+1% Profit	-1% Equity
	\$	\$	\$	\$
Cash and cash equivalents	4,649	(4,649)	8,198	(8,198)

Note 8 Other disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Note 8.1 Remuneration of auditors

	2022	2021
	\$	\$
Remuneration of the Victorian Auditor-General's Office for: - auditing of financial report	9,000	8,000

Note 8.2 Ex-gratia payments

There were no ex-gratia payments paid by NE WRRG (2021: Nil).

Note 8.3 Related party transactions

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

- all key management personnel and their close family members;
- 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.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the year, NE WRRG had the following government-related entity transactions:

	2022	2021
	\$	\$
Department of Environment, Land, Water and Planning	585,921	634,364
Other funding received from government-related entities	310,654	214,764
Other payments made to government-related entities	(53,485)	(9,477)
	<u>843,090</u>	<u>839,651</u>

Key management personnel

Key management personnel of the NE WRRG include the Portfolio Minister, the Board and Executive Officer. 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 State's Annual Financial Report.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

Short-term employee benefits includes amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments such as severance packages.

	2022	2021
	\$	\$
Remuneration		
Short term employee benefits (a)	220,902	154,157
Post-employment benefits	22,785	13,859
Other long-term benefits	4,523	3,341
Total remuneration	<u>248,210</u>	<u>171,357</u>

(a) Total remuneration paid to key management personnel employed as contractors during the reporting period have been reported under short-term benefits.

Transactions 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 member of the public e.g. stamp duty and other government fees and charges. Further employment of processes with the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes 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 NE WRRG, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables and related parties.

Note 8.4 Responsible persons disclosure

Responsible minister

The Hon Lilliana D'Ambrosio - Minister for Energy, Environment and Climate Action (01/07/2021 to 30/06/2022)

Governing board

Directors

Veronica Schilling (Chairperson - Forum Representative)	(01/07/21 - 30/06/22)
Alan Clark (Deputy Chairperson - Forum Representative)	(01/07/21 - 30/06/22)
Anthony Griffiths (Skills - Based Director)	(01/07/21 - 30/06/22)
Melanie Oke (Skills - Based Director)	(01/07/21 - 30/06/22)
Peter Olver (Forum Representative)	(01/07/21 - 30/06/22)
Simon Kelley (Skills - Based Director)	(01/07/21 - 30/06/22)

Accountable officer - executive officer

Ms Kristy Kay (01/07/21 - 30/06/22)

The number of responsible persons whose remuneration from NE WRRG within the specified bands were as follows:

Income band (\$)	2022 No.	2021 No.
0 - 9,999	6	6
140,000 - 149,999	-	1
220,000 - 229,999	1	-
	<u>\$ 248,210</u>	<u>\$ 171,357</u>

The remuneration of the Minister is disclosed with in the State's Financial Annual Report. For information regarding related party transactions of ministers, the register of members interests is publicly available from:

www.parliament.vic.gov.au/publications/register-of-interests

There were no executives other than the Accountable Officer (2021: Nil).

Note 8.5 Events after the reporting period

The Circular Economy (Waste Reduction and Recycling) Act 2021 abolished the seven Waste and Resource Recovery Groups, which includes NE WRRG on 1 July 2022.

Please refer to Note 1 Basis for preparation for detailed information.

There have been no other events that have occurred subsequent to 30 June 2022 which would, in the absence of disclosure, cause the financial statements to become misleading.

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between NE WRRG and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

Note 8.6 Contingencies

The Victorian Government’s intention to abolish the seven existing WRRG and establish Recycling Victoria on 1 July 2022, this may create obligations associated with the dissolution of NE WRRG that are non-quantifiable at this time.

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Note 8.7 Australian accounting standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period. These accounting standards have not been applied to the Financial Statements. NE WRRG is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on or after	Impact on the Group
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. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 January 2023	The standard is not expected to have a significant impact on NE WRRG.

Management does not anticipate early adoption of these Australian Accounting Standards.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2021-22 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.

Disclosure Index

Clause	Disclosure	Page
REPORT OF OPERATIONS		
<i>Charter and purpose</i>		<i>Page</i>
FRD 22I	Manner of establishment and responsible Minister	8
FRD 22I	Nature and range of services provided	8-9
FRD 22I	Objectives, functions, powers and duties	9-10
FRD 22I	Achievements	11
FRD 22I	Operational performance	12-20
FRD 22I	Key initiatives and projects	20-23
<i>Management and structure</i>		
FRD 22I	Organisational structure and corporate governance	26
FRD 22I	Governing board	27-29
FRD 22I	Audit committee membership	29-30
FRD 22I	Board committees	31-32
FRD 22I	Occupational health and safety	33-34
FRD 22I	Employment and conduct principles	33
<i>Financial information</i>		
FRD 22I	Five-year financial summary	24
FRD 22I	Significant changes in financial position	25
FRD 22I	Significant changes or factors affecting performance	25
FRD 22I	Subsequent events	25
<i>Workforce data</i>		
FRD 22I	Public sector values and employment principles	33
FRD 22I & FRD 29C	Workforce data	34
FRD 22I	Workforce Inclusion Policy	35
FRD 15E	Executive Office Disclosure	35
<i>Other disclosures</i>		
FRD 10A	Disclosure index	61-62
FRD 252D	Local Jobs First	35
SPF Reporting Guidelines	Social Procurement Framework	35-36
FRD 22I	Government advertising expenditure	36
FRD 22I	Details of consultancies over \$10,000	36-37
FRD 22I	Details of consultancies under \$10,000	37
FRD 22I	Disclosure of ICT expenditure	37
FRD 12B	Disclosure of major contracts	37
FRD 22I	<i>Freedom of Information Act 1982</i>	38-39
FRD 22I & Building Act	Compliance with the <i>Building Act 1993</i>	39

FRD 22I	Competitive Neutrality Policy	39
FRD 22I & PID Act	<i>Public Interest Disclosures Act 2012</i>	39
FRD 24D	Office-based Environmental Impacts	39-40
FRD22I	Statement of availability of other information	40
Compliance attestation and declaration		
S 5.1.3	Attestation for compliance with PFMCF	41
S 5.2.3	Declaration in report of operations	5
Other requirements under PFMCF 5.2		
S 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	43
FINANCIAL STATEMENTS		
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	59
FRD 103H	Non-financial Physical Assets	53-54
FRD 11A	Disclosure of ex-gratia payments	59
FRD 110A	Cash flow statement	49
FRD 112D	Defined benefit superannuation obligations	52
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	56-57
LEGISLATION		
<i>Building Act 1993</i>		38
<i>Circular Economy (Waste Reduction and Recycling) Act 2021</i>		5, 6, 8, 21, 25
<i>Environment Protection Act 1970</i>		8
<i>Environment Protection Act 2017</i>		8
<i>Financial Management Act 1994</i>		5, 29, 41, 42, 43
<i>Freedom of Information Act 1982</i>		38, 40
<i>Local Jobs First Act 2003</i>		35
<i>Public Administration Act 2004</i>		8, 33
<i>Public Interest Disclosures Act 2012</i>		39