

Annual Report 2021/2022



Published by the Victorian Government
© The State of Victoria, Loddon Mallee 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*.

OFFICIAL

| | |
|--|----|
| Responsible Body Declaration | 1 |
| Introductory Note | 1 |
| YEAR IN REVIEW | 2 |
| Chair and Executive Officer Report | 2 |
| Organisational Overview | 4 |
| Nature and Range of Services | 5 |
| Objectives, Functions, Powers and Duties | 5 |
| PERFORMANCE REPORTING – NON-FINANCIAL | 9 |
| Achievements and Key Initiatives | 9 |
| Operational Performance | 10 |
| PERFORMANCE REPORTING – FINANCIAL | 21 |
| Five Year Financial Summary | 21 |
| Current Year Financial Review | 22 |
| Significant Changes in Financial Position | 23 |
| Significant Changes or Factors Affecting Performance | 23 |
| Disclosure of Grants and Transfer Payments | 23 |
| Subsequent Events | 23 |
| GOVERNANCE AND ORGANISATIONAL STRUCTURE | 24 |
| Loddon Mallee Region | 24 |
| Board Membership | 25 |
| Current Board Members | 26 |
| Finance, Risk and Audit Committee | 29 |
| Human Resource Committee | 30 |
| Local Government Waste Forum | 31 |
| Technical Advisory Reference Group (TARG) | 31 |
| Staff Structure | 31 |
| Occupational Health and Safety | 31 |
| WORKFORCE DATA | 32 |
| Public Sector Values and Employment Principles | 32 |
| Workforce Data | 32 |
| Workforce Inclusion Policy | 32 |
| OTHER DISCLOSURES | 33 |
| Local Jobs First Act 2003 | 33 |
| Social Procurement Framework | 33 |
| Government Advertising Expenditure | 33 |
| Consultancy Expenditure | 33 |
| Information and Communication Technology Expenditure | 34 |
| Major Contracts | 34 |
| Freedom of Information | 35 |

| | |
|--|----|
| Building Act 1993..... | 36 |
| Competitive Neutrality Policy..... | 36 |
| Public Interest Disclosures Act 2012..... | 36 |
| Office-based Environmental Impacts | 37 |
| Additional Information Available on Request..... | 37 |
| Statutory Certification | 38 |
| FINANCIAL STATEMENTS..... | 39 |
| Comprehensive Operating Statement | 41 |
| Balance Sheet | 42 |
| Cash Flow Statement | 43 |
| Statement of Changes in Equity | 44 |
| Notes to the Financial Statements – For the Year Ended 30 June 2022..... | 45 |
| Financial Management Compliance Attestation Statement | 72 |
| INDEPENDENT AUDITOR’S REPORT | 73 |
| DISCLOSURE INDEX | 75 |

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.

Responsible Body Declaration

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



John Bradley
Secretary
Department of Environment, Land, Water and Planning
30 December 2022

Introductory Note

On 14 December 2021, the *Circular Economy (Waste Reduction and Recycling) Act 2021* 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 Loddon Mallee WRRG will be dissolved.

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

The Loddon Mallee 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 Loddon Mallee WRRG.

YEAR IN REVIEW

Chair and Executive Officer Report

With the knowledge that Recycling Victoria will be commencing on 1 July 2022, the Loddon Mallee WRRG has been undertaking activities with a focus on ensuring a smooth transition to the new entity. While our focus has been on the transition, we have continued to maintain our drive and passion for working with our stakeholders to reduce waste and improve resource recovery as part of their everyday mantra.

We have remained focussed on supporting our member councils to further understand the potential impacts of the introduction of a container deposit scheme, and the transition to a four-stream household waste and recycling system.

On 30 January 2022 we completed our facilitation of the ResourceSmart Schools program as this function transitioned to Sustainability Victoria (SV).

We have worked closely with businesses in our region, including finalising grants provided through our Loddon Mallee Fund for projects that particularly focussed on reducing organic waste to landfill.

All Board members agreed to extend their positions on the Board until Recycling Victoria (RV) is established and all WRRGs are dissolved from 1 July 2022.

The COVID-19 pandemic continued to interrupt our normal flow of business, with lockdowns still occurring in 2021 which limited face to face encounters. Although restrictions eased at the beginning of 2022, an increase in case numbers resulted in the cancellation of many face to face encounters with online platforms continuing to be utilised due to participant illness or the need to isolate.

Through online forums and working groups, our staff have been actively engaged in the transition process to ensure a successful commencement of RV from 1 July 2022.

We held our final Local Government Waste Forum (Forum) and Technical Advisory Reference Group (TARG) combined meeting in Swan Hill on Thursday, 12 May 2022. We welcomed board members, representatives from SV, Environment Protection Authority (EPA), DELWP and the interim head of RV. The passion in the room for working towards a circular economy within our region and across Victoria was obvious, with celebrations for what we have achieved, an appreciation of all the partnerships we have forged and enthusiasm for continuing to work effectively together in the future.

One of our major projects in the last 12 months was the completion of our Regional and Rural Infrastructure Model which was well received by our member Councils and industry. The model will assist RV in identifying existing infrastructure in each of our Councils, as well as the limitations of various models for dealing with resource recovery depending on the geographical size, travel distances and populations. We provided an opportunity for our Councils to trial compacting bins, which produce data to assist them with future business cases for using such technology. As part of our Community Champions project, we delivered videos featuring community members throughout the region to inspire others to continually think of ways to reduce waste.

Acting Executive Officer, Melanie Bell, will continue with RV to play an important role in the transition to the new entity and provide an understanding of our region.

The Board have enjoyed their time assisting the Loddon Mallee WRRG to be a high functioning organisation.

We would like to thank all staff and Board members for their continued support of our roles as Chair and Acting Executive Officer throughout our time in these positions.

As the Board dissolves from 30 June 2022, we do so knowing that through collaboration with DELWP, SV, EPA, businesses, schools, our councils and communities, the Loddon Mallee region has been set up to be a key player in supporting product stewardship, well manufactured products that last, reducing, reusing and recycling materials, with the ultimate aim of reducing waste to landfill.

We embrace the circular economy and the ambitions RV and wish them successful outcomes for material use and reuse in Victoria and a leadership role both within Australia and internationally.

Jennifer Anderson
Chairperson

Melanie Bell
Acting Executive Officer

Organisational Overview

Our Vision

Our region is a recognised facilitator in shifting to a more circular economy.

Our Purpose

Building partnerships between State and local government, industry, business and community to educate, influence and enable a more circular economy.

Our Principles

Underpinning everything Loddon Mallee WRRG does:

- Shifting to a more circular economy is the priority in all we do
- Collaboration is essential to our success
- Waste is repositioned as a resource
- Prioritisation of activities with the most impact
- Education is the key to behavioural change
- Support innovation and sustainable solutions

The Loddon Mallee WRRG upholds and demonstrates the values and behaviours of the Victorian Public Sector.

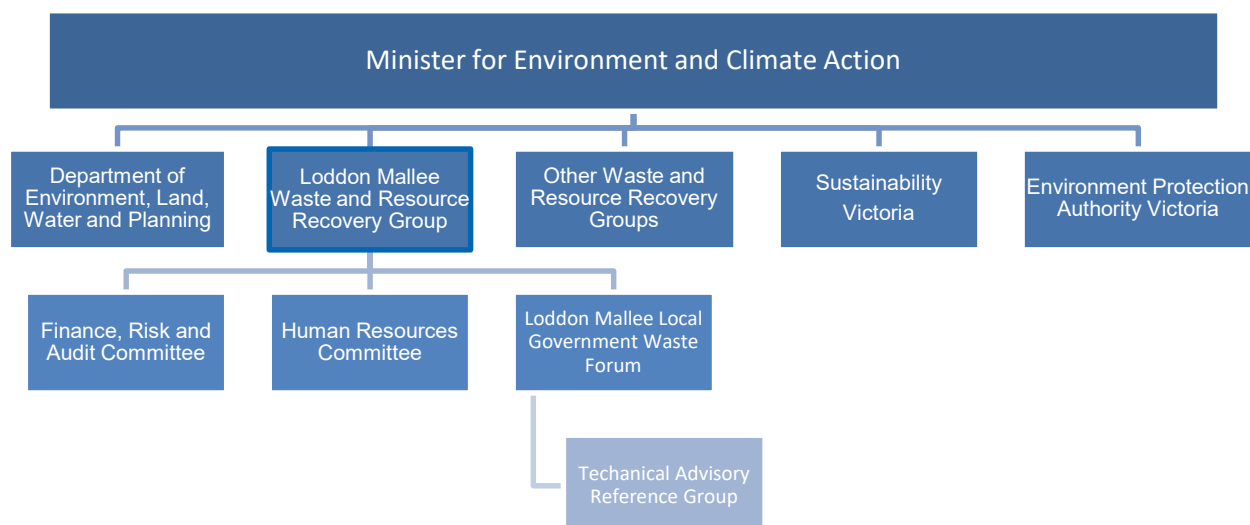
Organisational Structure

The Loddon Mallee WRRG commenced operating on 1 August 2014.

The Loddon Mallee WRRG is the link between state, local governments, community and industry and is responsible for facilitating a coordinated approach to the planning and delivery of infrastructure and services for all waste streams, municipal solid waste (MSW), commercial and industrial waste (C&I) and construction and demolition waste (C&D).

The Board of Directors consists of seven members, four of whom are nominated by the Local Government Forum and three of whom are General Members, selected through an open expression of interest and endorsed by the Minister in accordance with *Environment Protection Act 2017* section 390 and 391.

The Board is appointed by the Governor in Council and reports to the Hon Lily D'Ambrosio MP, Minister for Environment and Climate Action. The Chair is appointed by the Minister and under the legislation, must be a director nominated through the Waste Forum process.



Nature and Range of Services

The Loddon Mallee WRRG has a primary role in setting the strategic context for solid waste management and resource recovery in the Loddon Mallee region. The Loddon Mallee Region comprises the municipal areas of Bendigo, Buloke, Gannawarra, Loddon, Macedon Ranges, Mildura, Mount Alexander and Swan Hill.

The Loddon Mallee WRRG articulates its long-term strategic direction through the Loddon Mallee Waste and Resource Recovery Implementation Plan (regional implementation plan), which was gazetted on 29 June 2017 and released by the Acting Minister on 6 July 2017. This plan is part of a state planning framework consisting of the complimentary statewide Waste and Resource Recovery Infrastructure Plan, along with six other regional implementation plans.

In line with its legislative functions, the Group utilised education, procurement and the promotion of best practice to foster improvements in waste management within the Loddon Mallee region. As defined by legislation the Group also supports the Loddon Mallee Local Government Waste Forum and its sub-committees. Utilising this structure, the Group works with local government on the collaborative delivery of priority projects, addressing waste, litter and resource recovery.

Manner of establishment and responsible Minister

The Loddon Mallee WRRG was established in accordance with *Environmental Protection Act 1970* (the Act) section 49C. This Act was repealed as of 1 July 2021 and replaced with the *Environment Protection Act 2017* (EP Act) which states the continuance of Waste and Resource Recovery Groups reference section 382. Other governance obligations of Loddon Mallee WRRG are set out in the *Environment Protection Act 2017* sections 383 to 403 inclusive.

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

Objectives, Functions, Powers and Duties

In accordance with Section 386 of the EP Act the objectives of the Loddon Mallee 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.

The RWRRIP forms part of Division 2AB of the Waste and Resource Recovery Infrastructure Planning Framework. In seeking to achieve its objectives, a WRRG 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 Loddon Mallee WRRG are:

- (a) to plan for the future needs of waste and resource recovery infrastructure within the Loddon Mallee waste and resource recovery region consistently with the State-Wide Waste and Resource Recovery Infrastructure Plan (SWRRIP).
- (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 Waste Forum to perform its functions.
- (h) to undertake waste and resource recovery projects as funded by government, councils and other organisations.

The functions of the Loddon Mallee WRRG align with part of Division 2AB of the Waste and Resource Recovery Infrastructure Planning Framework.

In accordance with section 388 of the EP Act, Loddon Mallee WRRG has the power to do all things that are necessary or convenient to enable it to carry out its functions and achieve its objective.

Loddon Mallee WRRG cannot however, own or operate a waste management facility; apply for or hold a planning permit; or 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.

Statement of Expectations

Loddon Mallee WRRG is responsible for delivering the Minister's Statement of Expectations (SoE) as an entity accountable to the Minister. The SoE sets out the governance standards and priorities the group is expected to apply in the performance of our role and obligations.

Loddon Mallee WRRG has worked closely with DELWP, SV and other WRRGs in delivery of the SoE and RV, whilst still performing our legislated functions as per the EP Act.

The SoE received in June 2020 includes the Minister's expectations for the Loddon Mallee WRRG to focus on the following priorities:

- Provide regional, expert support to Victorian Government missions that ensure continuity of waste as an essential service during COVID-19 and build on the economic and environmental contribution of the waste and recycling sector during recovery efforts.
- Work effectively with portfolio agencies to deliver RV. This includes supporting regional delivery and application of the following programs:
 - **Infrastructure planning:** collaborate with SV to incorporate the LMWRRG 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.
- Maximise efficiencies within current financial allocations including through the sharing of services with other waste and resource recovery groups where feasible.
- Emerging priorities as identified in consultation with DELWP.

Nothing in this SoE should be interpreted as limiting your organisation's ability to deliver programs that are consistent with your statutory functions and funded by other organisations, such as education programs.

Consistent with the expectations of all government entities, I also ask that the Group:

- Advise the Secretary of DELWP and myself of any issues or risks (existing or emerging) which may affect the Group's financial management, performance, sustainability or reputation, and any other matters required under the *Financial Management Act 1994* and the *Public Administration Act 2004* (PA Act).
- Cooperate with DELWP in relation to all aspects of its oversight and support of your Group in accordance with section 13A of the PA Act, including by responding to all requests for information from myself or DELWP in a timely manner and consulting with DELWP where conflicting priorities arise.
- Ensure that a strong governance framework is in place and that the board of the Group meets all its legal and other obligations, including compliance with financial management legislation and frameworks. This framework should include (but not be limited to):
 - a board charter that provides high level guidance on the roles, functions, operations, outcomes, performance measurement and objectives of the board of the Group; and
 - essential policies as required by section 81 of the PA Act. These must be consistent with DELWP's model policies found on DELWP's governance website for portfolio agencies, OnBoard (<https://www2.delwp.vic.gov.au/boards-and-governance/on-board>).

- Produce timely and accurate annual financial and operational reports and business plans that reflect the priorities of the Group as set out in this statement and follow guidance from DELWP on rescheduled budget and business planning in 2020.
- Actively contribute to the development and implementation of strategies to give effect to the Victorian Government's commitment that no less than 50 per cent of all new appointments including senior appointments, to all paid government boards will be women.

The June 2020 Statement of Expectations was accompanied by an attachment which outlines in more detail the function and interaction of agencies associated with the implementation of Recycling Victoria.

PERFORMANCE REPORTING – NON-FINANCIAL

Achievements and Key Initiatives

During the 2021/2022 reporting period, the Loddon Mallee WRRG continued to deliver a range of programs and services. The planning and coordination of these have included successfully engaging with key waste and resource recovery sector stakeholders in state and local government, business, industry, and communities within the Loddon Mallee region.

Support Recycling Victoria Programs

The Loddon Mallee WRRG worked closely with portfolio departments to support local councils and the community with the implementation of *Recycling Victoria* initiatives. These included supporting Victorian Communities, Councils, education and behaviour change programs, household recycling reforms and planning for recycling infrastructure.

The Regional and Rural Infrastructure Model

The Loddon Mallee WRRG Regional and Rural Infrastructure Model (RRIM), a project to improve regional recycling resilience and promote local circular economy outcomes for Loddon Mallee Councils was completed in 2020/21.

The findings of the project have been utilised to assist individual councils develop collection and processing models for commingled recyclables and separate glass collection services as specified by the RV policy.

The project has since been expanded to review organics collection and processing options for councils in the region that do not currently offer a food organic and garden organic service.

Compacting Bin Trial

The Loddon Mallee WRRG purchased two solar compacting public place bins in 2021 to be used for a trial across the Loddon Mallee region. These 'smart' bins provide Councils with waste data, reduce the number of required bin lifts, and decrease litter. Trials have been successfully completed at Mildura Rural City Council, Buloke Shire Council, Loddon Shire Council, Swan Hill Rural City Council, Mt Alexander Shire Council and Macedon Ranges Shire Council.

Community Champions

The Loddon Mallee Community Champions Series aims to acknowledge individuals across the Loddon Mallee region who are passionate about waste and resource recovery while encouraging other members of the community to waste less and recycle more. Short videos featuring the Community Champions have been developed alongside our member Councils and shared on social media.

ResourceSmart Schools Program

The ResourceSmart Schools (RSS) program was funded by SV and delivered in the Loddon Mallee region by the Loddon Mallee WRRG until the 30 January 2022 before transferring to SV. The program provided practical support to schools to reduce resource use, make cost savings, integrate sustainability into the curriculum and share learnings beyond the school gate.

From 1 July 2021 to 30 January 2022 51 active schools achieved the following outstanding results:

| Outcome | Indicator | Achievement |
|---|--|--------------------|
| GHG emissions decreased | CO ₂ -e emissions reduced or avoided | 459 Tonnes |
| Material and resource efficiency | Reduction in water use | 10,715 Kilolitres |
| Energy Efficiency | Reduction in electricity use | 284,409 kWh/year |
| Waste to landfill decreased | Reduction or avoidance of waste going to landfill | 654 m ³ |
| Materials and resource efficiency increased | Total financial savings across schools (relating to energy, waste and water savings) | \$103,289.89 |

Operational Performance

Operational performance actions outlined in the Loddon Mallee WRRG Business Plan 2021/2022 are listed in the below tables under three key themes. Each theme had a number of objectives which are listed below:

Facilitating Change

- Loddon Mallee WRRG will enable the development and management of relationships and partnerships, build capacity and facilitate change in waste and resource recovery activities.
- Loddon Mallee WRRG will provide leadership and guidance to local government, key stakeholders, business and industry activities in implementing the regional implementation plan, implementing *Recycling Victoria: A new economy* and educating the community.
- Loddon Mallee WRRG will support councils and the waste and resource recovery industry to improve the operation and management of waste and resource recovery infrastructure and build regional capacity.

Improve Knowledge of Data, Resources and Markets

- Enable a planned approach to knowledge and data measurement.
- A focus of the better understanding of data, resources and markets program is to achieve a step change in material efficiency and recovery in the region for improved productivity, jobs and environmental benefit by informing and encouraging the development of reuse and reprocessing of materials and markets in the region. A solid database and understanding of regional needs in relation to waste, resources and markets will be reliant on data from local government, business and industry.

Reduce Organic Material to Landfill

- Facilitate solutions to divert organic materials from landfill for beneficial use.
- Working with local government, business, industry and the community the Loddon Mallee WRRG will identify organic material volumes and solutions to divert this resource from landfill.

Theme: Facilitating Change

| Strategies | Actions | Alignment | Outcomes |
|--|--|--|--|
| <p>1: Providing leadership and supporting Councils, communities and organisations to prepare for and implement Recycling Victoria: A new economy.</p> | <p>Work with Councils and DELWP to support Kerbside Reform initiatives including the implementation of Transition Plans, particularly glass out.</p> | <p><i>Recycling Victoria</i> 5.1 SoE 2.3</p> | <ul style="list-style-type: none"> • Participated in Kerbside reform drop-in sessions. • Contributed to RV Portfolio Project Managers Forum and RV Project Control Board meetings. • Facilitated Council drop-in sessions each fortnightly for our member councils. • Contributed to EPA Glass Assessment, and standard bin contents. • Participation in Procurement Working Group and support for local councils. |
| | <p>Collaborate with other WRRGs and government agencies in the development of the Victorian Waste Authority and Container Deposit Scheme (CDS).</p> | <p><i>Recycling Victoria</i> 5.2 SoE 2.2</p> | <ul style="list-style-type: none"> • Attended CDS working group meetings and provided feedback on issues papers. • Contributed to WRRG and SV transition working group meetings. • Assisted with DELWP Change Lead role interviews and selection. • Attended the Victorian CDS market update forum. • Contributed to one-on-one transition implementation meetings with DELWP. • Discussed implications of future Loddon Mallee glass collection services with CDS team. |
| <p>2: Developing and supporting partnerships and collaborative activities that reduce waste through innovation.</p> | <p>Collaborate with DELWP, WRRG's and councils on the Recycling Industry Support Package (RISP) and the Collaborative Statewide Procurement project to ensure an orderly transition to new collection and processing arrangements.</p> | <p><i>Recycling Victoria</i> 2.2, 7.2 So 2.3</p> | <ul style="list-style-type: none"> • Continue to work with councils who are considering options to undertake procurement process that involve their waste related services contracts. |

| | | | |
|--|--|---|---|
| | Through the Regional and Rural Infrastructure Model (RRIM) and Regional Procurement Strategy, support councils and industry to identify new investment in infrastructure opportunities and contribute to the Collaborative State-wide Procurement project. | <i>Recycling Victoria</i> 2.2, 7.2 SoE 2.3 | <ul style="list-style-type: none"> • Glass and FOGO report for councils completed. • Support councils that currently do not have FOGO collection services. |
| | Collaborate with SV to identify regional strategic priorities and provide support to regional grant applicants and seek support under other grant programs. | <i>Recycling Victoria</i> 1.2, 8.3 SoE 2.4 | <ul style="list-style-type: none"> • Assisted SV with the asbestos management plan for the region. • Provided feedback to SV Detox your Home about future events in the Loddon Mallee region and how to increase participation rates. • Loddon Mallee staff participated in SV grants evaluation programs. |
| 3: Contribute to strategic planning for future waste and resource recovery assets and infrastructure and protecting current facility buffers. | Collaborate with SV to incorporate the Loddon Mallee WRRG regional implementation plan and schedule into the Victorian Recycling Infrastructure Plan (VRIP) that includes enhanced risk and contingency planning and integrated land use and transport planning. | <i>Recycling Victoria</i> 7.2 SoE 2.1 | <ul style="list-style-type: none"> • Participated in fortnightly VRIP, Data and Organics working group meetings. • Provided regular updates to member councils. |
| 4: Facilitating EPA and duty holders to take a risk - based approach to the management of closed landfills. | Review the progress of closed landfill risk assessments in the region. | <i>Recycling Victoria</i> 10.4 SoE 2.1, 5 | <ul style="list-style-type: none"> • Commenced review to confirm list of closed landfills and status of rehabilitation using methodology developed by Goulburn Valley WRRG. |

| | | | |
|--|--|---|---|
| <p>5: Engaging with key stakeholders and educating the community about reducing, reusing, recycling materials and the circular economy.</p> | <p>Work with SV, DELWP and local Councils in planning, implementing, and monitoring local communication and education tools and activities to support <i>Recycling Victoria</i>.</p> | <p><i>Recycling Victoria</i> 2.3, 3.1, 5.1</p> <p>SoE 2.5</p> | <ul style="list-style-type: none"> • Communicated Recycling Victoria Education and Behaviour Change Phase 1 and Phase 2 material launches with member councils through direct email, fortnightly bulletins and council drop-in sessions. • Attended Recycling Victoria Education and Behaviour Change campaign information sessions. • Communicated Recycling Victoria Education and Behaviour Change Funds (Round 1 and Round 2) with member councils through direct email, fortnightly bulletins and council drop-in sessions. Five member councils successfully received funding. • Attended Recycling Victoria Education and Behaviour Change Fund information sessions. • Assisted councils with their communication plans for upcoming service transitions. • Assisted council with their Recycling Victoria Education and Behaviour Change Fund application. |
| | <p>Develop and deliver education, engagement, behaviour change activities to residents, community organisations, business and all levels of schools within the Loddon Mallee region to help people avoid and minimise waste, and reuse, repair and share products, and recycle to divert materials including organics from landfill.</p> | <p><i>Recycling Victoria</i> 2.3</p> <p>SoE 4</p> | <ul style="list-style-type: none"> • Presentation on reducing waste and increasing recycling within a school setting to Kyneton High School VCAL students. • Attended the low small scale composting session. • ‘Waste less this Christmas’ campaign rolled out on social media. • ‘Waste less this Easter’ campaign rolled out on social media. |
| | <p>Collaborate with SV to facilitate local and regional communities and Councils to access grant funding under the <i>Supporting Victorian Communities</i> initiative and the <i>Supporting Victorian Councils</i> initiative.</p> | <p><i>Recycling Victoria</i> 2.1, 2.2</p> <p>SoE 2.4</p> | <ul style="list-style-type: none"> • Attended meetings with community organisations in Buloke Shire about RV Communities Fund and textile recycling opportunities. • Developed a database of successful grantees and new opportunities. |

| | | | |
|--|--|--|---|
| | | | <ul style="list-style-type: none"> • Notified Stakeholders of Councils Fund – Round 2 (feasibility stream) through fortnightly bulletin. • Facilitated meeting with member councils to discuss joint SV Councils Fund application. • Attended Communities Fund Refresher for WRRG's. • Developed and executed communications plan for Recycling Victoria Communities Fund - Round 2. • Spoke to a number of potential applicants for Communities Fund – Round 2. |
| Deliver the ResourceSmart Schools program. | <i>Recycling Victoria 2.3</i> SoE 4 | | <ul style="list-style-type: none"> • RSS contract ceased with Loddon Mallee WRRG on 31 January 2022. The final report was completed and accepted by SV at the end of December 2021. |
| Implement Loddon Mallee WRRG Corporate Communications and Strategy. | <i>Recycling Victoria 2.3</i> SoE 4 | | <ul style="list-style-type: none"> • Updated action list for 2021/2022. • Distributed fortnightly Community and Government bulletins. • Delivered regular social media campaigns. • Completed annual communications report. • Made various updates to the website including the removal of outdated content. • Promoted statewide education campaigns including Recycling Victoria 'Not in Bags' and 'Remember your reusable bags'. |
| Promote industry network events and capacity building initiatives showcasing innovation and new resource recovery projects for stakeholders. | <i>Recycling Victoria 3.2</i> SoE 4 | | <ul style="list-style-type: none"> • EcologiQ "lunch and learn" as part of Victoria's \$80 billion big build program focusing on reusing, recycling and repurposing waste materials on road and rail infrastructure across Victoria. • Promoted new industry grants and the three successful Loddon Mallee organisations who received funding awarded under Round 2 of the Recycling Victoria – Recycling Modernisation Fund. |

| | | | |
|--|--|--|---|
| | | | <ul style="list-style-type: none"> Supported City of Greater Bendigo with the launch of ASPIRE. Promoted Metro WRRG UNSSC Circular Economy course. Ongoing promotion through the Loddon Mallee WRRG fortnightly bulletin, fortnightly drop-in sessions for councils and social media. |
| 6: Establishing networks and forums to facilitate innovation, investment and partnerships. | Conclude, evaluate and share the outcomes of the Loddon Mallee Fund. | <i>Recycling Victoria 9</i> | <ul style="list-style-type: none"> Continued to support Loddon Mallee Fund recipients. |
| | Identify opportunities for infrastructure upgrades and new facilities to maximise the recovery and reuse of organics and recycled materials. | <i>Recycling Victoria 7.2</i> SoE 2.1 | <p>During the year we have visited:</p> <ul style="list-style-type: none"> Wangaratta, Shepparton and Elmore composting facilities. ASQ and Coffs Harbour glass processing facilities. Pyramid Hill Waste to Energy trial site. Bendigo and Australian Paper Recovery MRF's. Swan Hill and Mildura worm farms. Mildura plastic recycling facility. <p>By understanding the different process functions and end products we are better placed to recommend solutions to our councils for organics and recycled material.</p> |
| 7: Supporting councils and waste and resource recovery industry to improve the availability of, and operation and management of waste and resource recovery infrastructure. | Ensure regional needs are reflected in Statewide Contingency Plans (VRIP) and undertake contingency planning and exercises with member councils. | <i>Recycling Victoria 7.2</i> SoE 2.1 | <ul style="list-style-type: none"> Continuing to support DELWP, WRRGs and our member councils with data collection and reporting regarding the waste and recycling situation from COVID-19 restrictions and storm damage. Contributed to the E-waste working group, Mildura Landfill Community Reference Group. Organised battery stewardship council presentation at a council drop-in session. |

| | | | |
|---|---|--|--|
| | | | <ul style="list-style-type: none"> Attend Metro councils WRR contingency and operations meetings; Victoria's Roadmap – delivering the national plan (information session for waste industry); COVID-19 waste and recycling webinar (COVID-Safe plans, mitigation and preparedness); Construction ban / EPA referrals (landfill impacts). |
| | <ul style="list-style-type: none"> Meeting Agendas Meeting Minutes Action Plans Support Activities Provide support to TARG to fully utilise <i>Recycling Victoria</i> education and behaviour change campaign resources. | <i>Recycling Victoria 2.2</i> | <ul style="list-style-type: none"> During the year, the Group provided support to member Councils through the TARG meetings and Council fortnightly Drop-in sessions. Although the TARG will no longer exist the Loddon Mallee WRRG has established a Circular Economy Reference Group lead by the City of Greater Bendigo which will give Councils the opportunity to continue engagement. |
| 8: Provide support to the Loddon Mallee Local Government Waste Forum and Technical Advisory Reference Group and aligning them with WRIPP outcomes. | Implement projects identified by our member councils that supports the implementation of <i>Recycling Victoria</i> . | <i>Recycling Victoria 2.2, 8, 10, 2.3, 2.1</i> SoE 4, 2.5 | <ul style="list-style-type: none"> Community Champions videos developed and promoted through social media. Compacting Bin trials completed at Mildura Rural City Council, Buloke Shire Council, Loddon Shire Council, Swan Hill Shire Council, Gannawarra Shire Council, Mount Alexander Shire Council and Macedon Ranges Shire Council. Council projects are well underway however due to contractor availability some projects will need to be carried forward into the new financial year. |
| | Report to the Board on programs and the broader work of the organization. | SoE 5, 6, 7, 7.1, 7.2, 8 | <ul style="list-style-type: none"> The Loddon Mallee Waste and Resource Recovery Group Board met eight times during 2021/2022. |
| 9: Monitoring, reporting and management of business operations. | Collaborate with other WRRGs to facilitate sharing of services, expertise and resources to maximise efficiency and effectiveness, particularly business wind up activities and transitioning of WRRG functions to the Waste Authority. | SoE 3 | <ul style="list-style-type: none"> Regular meetings with WRRG communications, projects and education staff to compare upcoming projects and identify opportunities for collaboration. Staff attended business planning and prioritisation workshop (WRRG EO/Chairs & DELWP), Portfolio Finance meetings, WRRG EO meetings, WRRG |

| | | | |
|--|--|--|--|
| | | | <p>Chair/EO meetings and Monthly WRRG Chair meetings.</p> <ul style="list-style-type: none">• Collaborated with the North East WRRG on the financial services RFQ and evaluations. |
|--|--|--|--|

Theme: Improve Knowledge of Data, Resources and Markets

| Strategies | Actions | Alignment | Outcomes |
|--|---|------------------------------|--|
| 1: Enhance data integrity through standard data collection system . | Support the creation and adoption of standardised state-wide waste data collection, storage and management. | <i>Recycling Victoria 11</i> | <ul style="list-style-type: none"> Continuing to participate in WRRG data group to consolidate data to support transition to Recycling Victoria. Completed a review of Loddon Mallee C&I and C&D data and identified three focus areas - metals, AMS and plastics processors. |
| | Support the collection of standardised data from stakeholders. | <i>Recycling Victoria 11</i> | <ul style="list-style-type: none"> Supported councils in responding to SV Resource Recovery Centre Survey, Landfill Survey and Organics Contamination Survey. Undertook a preliminary analysis of 2019/20 kerbside data. Supported SV in the development of the 2022 landfill survey. |
| 2: Improve data and knowledge of commercial, business and industry sectors. | Implement Commercial and Industrial and Construction and Demolition waste data project recommendations. | <i>Recycling Victoria 11</i> | <ul style="list-style-type: none"> Reviewed previous survey data to identify businesses to include in a Circular Economy Scan with an emphasis on metals, AMS and plastics processors. |

| | | | |
|---|---|-----------------------------------|--|
| | Provide market development support to business and industry to increase resource recovery. | <i>Recycling Victoria</i> 11, 8.1 | <ul style="list-style-type: none"> Supported the RMCG agricultural plastics collection and processing trial. Collection points are Mildura, Ouyen and Swan Hill. The trial has been launched and is expected to run for 6-8 months. The Dairy Australia silage wrap collection and processing being run in South West Victoria. We have been in discussion with their processors and have successfully negotiated one-off supplies of silage wrap as an interim arrangement for a future service, pending the outcome of the trial. Supported the collection of soft plastics and processing in Macedon Ranges. Over 600 cubic metres has been collected thus far. Supported the Mallee Landcare and Southern Mallee Landcare in a grant application to purchase a grain bag roller. |
| 3: Market assessment of material streams for reusing and reprocessing. | Coordinate an assessment of waste and resource materials streams and existing reprocessor services, technologies to identify opportunities to encourage regional reuse and reprocessing. | <i>Recycling Victoria</i> 8.1 | <ul style="list-style-type: none"> Assisting City of Greater Bendigo to promote and launch their ASPIRE program. Supported SV to assess funding applications for the “Regional Recycling Fund” and “Transfer Station Upgrade Funds” (Round 1 and 2). Supported DELWP in developing the Regional Circular Economy Plans. |
| 4: Collaboration on data and opportunities across regional, state, Council and sector borders. | Work with other WRRGs and other organisation to identify opportunities for inter-regional and intra-regional collaboration in waste and resource recovery and data aggregation and sharing. | <i>Recycling Victoria</i> 11 | <ul style="list-style-type: none"> Supported the WRRG agricultural plastic waste group in collaboration with Dairy Australia to establish a silage wrap collection system. |

Theme: Reduce Organic Material to Landfill

| Strategies | Actions | Alignment | Outcomes |
|--|---|--|--|
| <p>1: Facilitate roll out of <i>Recycling Victoria</i> and implement as required the Regional Organics Strategy.</p> | <p>Review Regional Organics Strategy with a view to maximising the benefits of its implementation in order to attain <i>Recycling Victoria</i> and Regional Organics Strategy objectives.</p> | <p><i>Recycling Victoria</i> 8</p> | <ul style="list-style-type: none"> Completed a review of the Regional Organics Strategy. Developed an organics summary paper for FOGO, showing the pros and cons for the three councils who have initiated FOGO collections in the Loddon Mallee region, so that other councils can identify preferred methods. Collaborated with Nihill Family, Sustainability Victoria and Elmore Compost and Organics to develop an interim report for the compost trial site in Elmore. |
| | <p>Assist new market entrants and expansion of existing markets and reprocessing options for organics resources through the support of the Organics Technical Working Group.</p> | <p><i>Recycling Victoria</i> 8</p> | <ul style="list-style-type: none"> Attended and providing updates from the Portfolio Organics Technical Working Group. Participated in a tour with SV of Wangaratta, Shepparton and Elmore composting facilities as well as the Elmore compost trial site with Agronomist. |
| <p>2: Facilitate collaborative procurement for organics/food and organics collections to maximise strategic alignment with the implementation of transition plans and <i>Recycling Victoria</i>.</p> | <p>Work with Councils and key stakeholders to initiate arrangements for efficient projects for maximum diversion of organics/food and organics.</p> | <p><i>Recycling Victoria</i> 5.1 SoE 2.3</p> | <ul style="list-style-type: none"> Supported member Councils with potential FOGO processing opportunities. |

PERFORMANCE REPORTING – FINANCIAL

Five Year Financial Summary

Loddon Mallee WRRG's five-year financial summary is presented below.

| | 2021/2022 (\$) | 2020/2021 (\$) | 2019/2020 (\$) | 2018/2019 (\$) | 2017/2018 (\$) |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Core Business Revenue | | | | | |
| Government Contributions | 1,183,993 | 1,326,107 | 1,145,212 | 1,120,650 | 1,283,442 |
| Other Revenue | 7,419 | 16,618 | 59,241 | 189,795 | 152,111 |
| TOTAL REVENUE | 1,191,412 | 1,342,725 | 1,204,453 | 1,310,445 | 1,435,553 |
| Administration | | | | | |
| Corporate Expenditure | 1,011,522 | 955,538 | 1,045,123 | 989,706 | 972,729 |
| Project Expenditure | 102,652 | 133,145 | 84,005 | 271,793 | 665,909 |
| TOTAL EXPENDITURE | 1,114,174 | 1,088,683 | 1,129,128 | 1,261,499 | 1,636,638 |
| Net Operating Result | 77,238 | 254,042 | 75,325 | 48,946 | (203,085) |
| Other Economic Flows | 10,548 | 11,642 | - | - | - |
| Total Comprehensive Result | 87,786 | 265,684 | 75,325 | 48,946 | (203,085) |
| Net Cash Flow from Operations | 295,461 | 302,771 | 27,683 | (23,925) | (182,887) |
| Current Assets | 1,200,832 | 1,098,617 | 831,644 | 818,561 | 808,379 |
| Non-Current Assets | 69,186 | 85,551 | 161,667 | 105,051 | 90,947 |
| TOTAL ASSETS | 1,270,018 | 1,184,168 | 993,311 | 923,612 | 899,326 |
| Current Liabilities | 153,419 | 182,434 | 176,639 | 196,288 | 270,583 |
| Non-Current Liabilities | 60,311 | 33,232 | 113,855 | 99,832 | 50,197 |
| TOTAL LIABILITIES | 213,730 | 215,666 | 290,494 | 296,120 | 320,780 |
| Net Assets | 1,056,288 | 968,502 | 702,817 | 627,492 | 578,546 |

Current Year Financial Review
Actual vs Budget Differences

| | 2021/2022 Actual (\$) | 2021/2022 Budget (\$) | 2021/2022 Variance (\$) |
|--|-----------------------------|-----------------------------|-------------------------------|
| Income | | | |
| Landfill Levy | 917,465 | 917,465 | - |
| Recycle Victoria | 167,333 | 167,333 | - |
| ResourceSmart | 99,195 | 99,195 | - |
| Miscellaneous | 3,682 | - | 3,682 |
| Interest | 3,737 | 2,516 | 1,221 |
| Total Income | 1,191,412 | 1,186,509 | 4,903 |
| Expenditure | | | |
| Employment Expenses | 796,187 | 782,411 | 13,776 |
| Administration Expenses | 165,596 | 189,321 | (23,725) |
| Depreciation | 41,000 | 40,000 | 1,000 |
| Grant Expenses | 8,739 | - | 8,739 |
| Program Expenses | 102,652 | 203,783 | (101,131) |
| Total Expenses | 1,114,174 | 1,215,515 | (101,341) |
| Net Operating Profit/Loss from Trading | 77,238 | (29,006) | 106,244 |
| Other Economic Flows Included in Result | | | |
| Net Gain/Loss on Non-Financial Assets | 10,548 | 15,710 | (5,162) |
| Total Other Economic Flows Included in Result | 10,548 | 15,710 | (5,162) |
| Comprehensive Result | 87,786 | (13,296) | 101,082 |

Loddon Mallee WRRG generated Revenue of \$1,191,412 in 2021/2022, as the organisation is primarily funded through DELWP, Revenue was in line with budget.

Total Expenses of \$1,114,174 were below budget by \$101,341. The favourable variance in 2021/2022 was again due to the effects of COVID-19 which has continued to cause spending constraints.

In spite of uncertainty surrounding the ongoing coronavirus pandemic, Loddon Mallee WRRG managed to deliver Program and Grants totaling \$111,391 in 2021/2022.

A Comprehensive Result of \$87,786 was achieved against a budgeted loss of (\$13,296) which represents a favourable variance of \$101,082.

Significant Changes in Financial Position

There were no significant changes in the financial position of Loddon Mallee WRRG during the reporting period. The change in the total comprehensive result against budget was due to the continuing uncertainty and spending restrictions caused by Covid-19.

Significant Changes or Factors Affecting Performance

Loddon Mallee WRRG's staff are based in various locations throughout regional Victoria. The nature of the work undertaken by the organisation means that staff are usually required to undertake a significant amount of travel in order to perform their roles effectively. Staff spent a significant amount of time working remotely from home as a result of the ongoing effects of COVID-19. This has impacted the organisation's ability to effectively implement normal programs, and as a result running costs have been reduced.

Disclosure of Grants and Transfer Payments

The Loddon Mallee WRRG has provided assistance to certain companies and organisations. Financial assistance provided in 2021/ 2022 was as follows:

Loddon Mallee Fund

| Organisation | Payment (\$) |
|-----------------------------------|---------------------|
| Mount Alexander Bioenergy Pty Ltd | 8,739.00 |

Council Project Fund

| Organisation | Payment (\$) |
|------------------------------|---------------------|
| Buloke Shire Council | 9,854.09 |
| City of Greater Bendigo | 10,863.63 |
| Gannawarra Shire Council | 15,000 |
| Loddon Shire Council | 2,958.57 |
| Macedon Ranges Shire Council | 8,973.64 |
| Mildura Rural City Council | 15,000 |

Subsequent Events

Recycling Victoria

On 14 December 2021, the *Circular Economy (Waste Reduction and Recycling) Act 2021* (the 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 DELWP and commence operations from 1 July 2022.

The CE Act abolishes the seven regional WRR Groups and transfers all assets, powers, works, rights, liabilities and obligations, which also includes financial and other reporting obligations to DELWP, RV, 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 Loddon Mallee WRRG will continue under DELWP, RV. 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 Loddon Mallee WRRG on 30 December 2022.

Other Accounting Policies

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

GOVERNANCE AND ORGANISATIONAL STRUCTURE

Loddon Mallee Region

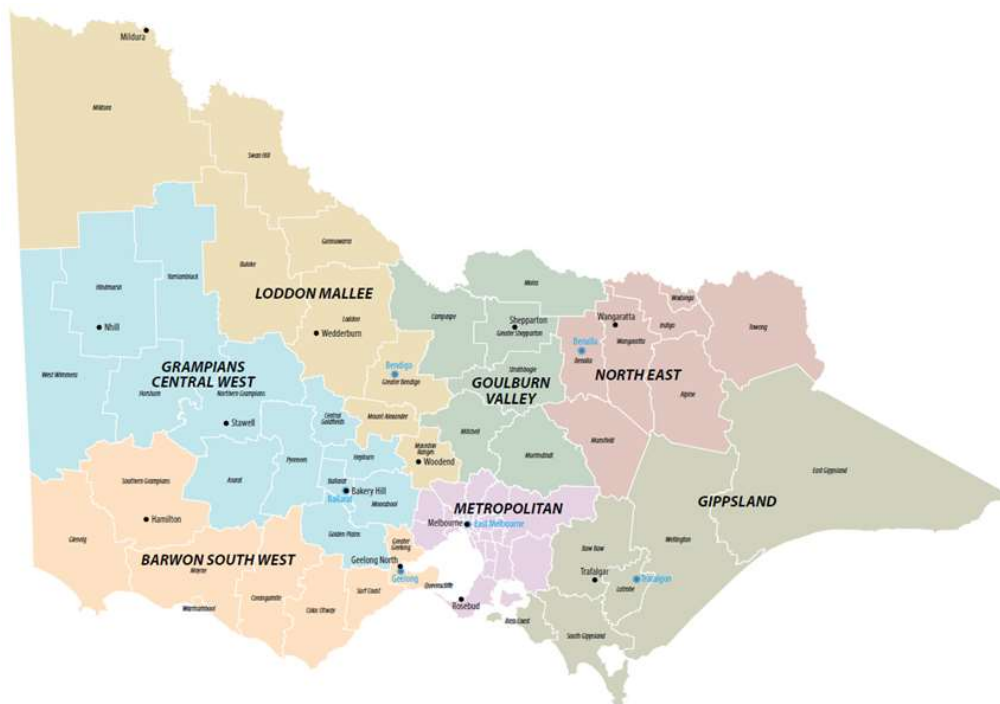
The Loddon Mallee WRRG is one of seven WRRGs across Victoria and covers the largest geographical area. Within the region are eight Municipalities of the City of Greater Bendigo, Buloke, Gannawarra, Loddon, Macedon and Mount Alexander Shire Councils, and Mildura and Swan Hill Rural City Councils.

The Loddon Mallee WRRG has two offices, located at Bendigo and Mildura to service the region which extends from Mildura Rural City Council in the North West to Macedon Ranges Shire Council in the South East.

The region covers approximately one-quarter of the state of Victoria with a total land area of 53,023 km². Towns and cities in the region range from Bendigo, the fourth largest city in Victoria and the fourth largest inland city in Australia to many tiny villages of less than 100 permanent residents.

The region is noted for its regional/rural agricultural industries. Loddon Mallee has a growing economy in tourism, viticulture, equine, horticulture, crops, cattle, manufacturing and wool production. As a major food producing area, the region is also home to a vibrant manufacturing and service sector.

Agriculture is a mainstay of the region, with approximately 70% of land in the region used for this purpose. Loddon Mallee is a major food producer and exporter of produce including grapes, grains, citrus, almonds, chickens and pigs.



Board Membership

The role and duties of the Board include strategy, governance, and risk management.

Loddon Mallee WRRG Directors responsibilities include:

- setting the broad strategy for the Group to meet its objectives and performance targets;
- approving, where appropriate, Group policies and other recommendations received from the Group, its sub-committees and staff;
- monitoring all Group policies; reviewing and recommending changes to the Group's internal strategies and policies manual;
- establishing and monitoring governance arrangements for the entity;
- integrating risk management into the entity's strategic planning process;
- monitoring and reviewing the effectiveness and currency of internal financial and operational risk management, compliance and reporting systems;
- ensuring the preparation of and approving strategic plans, annual reports, key procedures and policies
- considering and approving the Group's Annual Budget;
- appointment and release of the Executive Officer; and
- assisting to develop and maintain positive relations among the Board, committees, staff, stakeholders, and the community to enhance the Group's vision.

Directors of the Loddon Mallee WRRG - Terms of Appointment

| Name | Role | Selection | Term of Appointment |
|--------------------|-------------|---|-------------------------------|
| Jennifer Anderson | Chair | Forum Nominated - Macedon Ranges Shire Council | 1 May 2017 to 30 June 2022 |
| Daryl Warren | Director | Forum Nominated - Buloke Shire Council | 1 May 2017 to 30 June 2022 |
| Geoff Curnow | Director | Forum Nominated – previously Loddon Shire Council | 1 August 2014 to 30 June 2022 |
| Lorraine Learmonth | Director | Forum Nominated - previously Gannawarra Shire Council | 1 May 2017 to 30 June 2022 |
| Julie Green | Director | General Appointment | 1 August 2014 to 30 June 2022 |
| Natalie McCarthy | Director | General Appointment | 1 August 2018 to 30 June 2022 |
| Svetla Petkova | Director | General Appointment | 30 June 2019 to 30 June 2022 |

Current Board Members

Jennifer Anderson (Chair)



Jennifer has lived in the Macedon Ranges since 2009, where her partner grew up. Her main job is that of a General Practitioner in private practice and she is currently in her third term as a Macedon Ranges Shire Councillor, serving five times as Mayor. She currently also represents her region on the Municipal Association of Victoria Board.

She is a supporter of buy local and fresh from the market, initiatives to expand the use of electric vehicles and is always willing to assist anyone to look for alternatives to single use plastic and interpret the “greenwash” of so many products that claim they are compostable or biodegradable, when they have not been certified as such.

In 2016 she graduated from the Australian Institute of Company Directors course with a strong desire for good governance and making everyone know they are important in the decision-making process.

She sees collaboration and avoiding duplication as the keys to success, along with improvement of data used in decision making processes. She looks forward to contributing to the success of Recycling Victoria highlighting the important role that Regional Victoria plays in reducing waste in the first place and reusing and recycling materials to their maximal value wherever this is not possible.

Daryl Warren



Daryl brings a strong community focus to the Board and a practical outlook on how public boards or committees should discharge their duty for the community benefit.

With extensive committee and board experience which covers both the public and private sector and with over 48 years of “hands on” practical experience he believes a balance needs to be developed between the views of the community and the aims of the Board to deliver sustainable outcomes.

Serving as a Councillor and more recently as the Mayor of Buloke Shire, Daryl has developed a well-rounded view of the world and can add a personal perspective from those that are marginalized by disability or ethnic origins in the community.

Having lived in many parts of Victoria and with a deep commitment to serve the community, Daryl is pleased to serve as a Director on Loddon Mallee WRRG.

Geoff Curnow



Geoff has a family history to be proud of; his Cornish forebears have been in the Laanecoorie district for 150 years and he is the third generation of his own family to farm the home property since it was taken up in 1914.

Educated at Laanecoorie and Maryborough, Geoff returned to the farm while still in his teens and has amassed a wealth of knowledge through his community involvement.

Today, together with wife Merna, he runs a prime lamb enterprise paired with some grain production at Laanecoorie. He is a keen traveler and finds great enjoyment in his contacts with people through his community work.

Geoff was a Councillor on the Loddon Shire Council and served two years as Mayor.

Lorraine Learmonth



Lorraine completed eight years as a Gannawarra Shire Councillor representing Yarran Ward which includes Cohuna and Leitchville and served as Mayor for 3 years.

Lorraine has a strong connection with her community and the environment through her past experiences.

Lorraine's interests in the environment align with her role as a Director at Loddon Mallee WRRG. Lorraine is concerned about the waste dumped in our forests and along the Murray River and the need to educate our campers and communities on responsible waste disposal.

She is keen to see a marked reduction in use of all plastics, excess packaging, waste to landfill and would like to see a strong commitment across the Victoria to the Circular Economy.

Julie Green FCA, FAICD, WLCP (Deputy Chair)



Julie was appointed as Non-Executive Director of Loddon Mallee Waste & Resource Recovery Board in August 2014. She is also a Director of RACV, Greening Australia, Bendigo Health, Brilliant Light Power Australia and on an advisory Board for Redgrid, Symphony7, and Xrosswork. Formerly, Julie was a Director of RACV Finance, The Innovation Cooperative and a large regional aged care service provider, Shepparton Villages. Julie is also a business consultant in strategy, governance and change management.

This follows a successful Executive career in infrastructure, transport, utilities and healthcare, delivering major change agendas in the public and private sectors. Alongside this professional career, Julie has been an advisor to Not for Profit entities for over twenty years.

Julie is a Fellow Chartered Accountant in England and Wales, Fellow of Australian Institute of Company Directors and Fellow of Leadership Victoria. She lives in Maldon, Victoria.

Natalie McCarthy



Natalie's interest in resource recovery began as a teenager whilst working as a landfill auditor and witnessing vast quantities of segregated recyclables that should have been diverted from the landfill tip face.

Natalie is an Environmental Engineer who started her career leading resource recovery projects within the minerals industry. After many years in this field, she moved into managing production process and leading organisation transformations using her qualifications in Lean Production and as a Six Sigma Black Belt. She has extensive International Management experience and worked for 3 years as Rio Tinto Aluminium Lean Deployment Manager for Europe the Middle East and Africa.

Natalie moved to Central Victoria 10 years ago and now splits her time between four passions; raising her three young children, running a sheep farm with her husband, working in Business Improvement for Central Victorian Manufacturing and being an active member of the local community.

Natalie is School Council President of Harcourt Valley Primary School, an active CFA member, represents her local council on the Sutton Grange Hall of Management, is an Alumni of the London Business School and a member of many relevant professional organisations.

Svetla Petkova



Svetla joined the Loddon Mallee Waste and Resource Recovery Group in July 2019, filling in a casual vacancy. She calls a small hobby farm near Nyah home, where her two young boys learn about nature, animals and the beauty of the Mallee.

As Director Infrastructure at Swan Hill Rural City Council, Svetla is responsible for the asset management, operations, engineering and capital works departments.

Prior to moving into the Mallee, Svetla has lived and worked in regional North Queensland, Gippsland, Melbourne and the Wimmera.

Qualified Engineer with a Doctorate in fluid mechanics, she has used her engineering, project and people management skills to ensure safe, efficient and effective services are delivered to the community.

Before entering local government, Svetla has spent a decade working within the Victorian Water Sector providing essential services to customers.

Her current portfolio at Swan Hill Rural City Council includes waste and recycling and she is passionate about waste minimisation and resource recovery.

Svetla is also a Board member of Lower Murray Water and the Southern Alpine Resort Management Board.

Board Meetings Dates

During 2021/2022 the Loddon Mallee WRRG Board met eight times

| | |
|--|--|
| Friday 20 August 2021 Teleconference | Friday 11 February 2022 Teleconference |
| Friday 15 October 2021 Teleconference | Friday 18 March 2022 Teleconference |
| Friday 19 November 2021 Teleconference | Friday 22 April 2022 Teleconference |
| Friday 17 December 2021 Bendigo | Friday 17 June 2022 Bendigo |

| Name | Eligible for attendance | Attendance |
|---------------------------|-------------------------|------------|
| Jennifer Anderson (Chair) | 8 | 8 |
| Daryl Warren | 8 | 4 |
| Geoff Curnow | 8 | 8 |
| Lorraine Learmonth | 8 | 7 |
| Julie Green | 8 | 8 |
| Natalie McCarthy | 8 | 7 |
| Svetla Petkova | 8 | 8 |

Finance, Risk and Audit Committee

The role of the Finance, Risk and Audit Committee is to:

- monitor the management of the Loddon Mallee WRRG finances, cashflows and solvency;
- ensure compliance with all relevant statutory regulation and other legal obligations including, but not limited to, the *Financial Management Act 1994*, *Public Administration Act 2004* and any other financial, regulatory or administrative guidance issued to and applicable to the Loddon Mallee WRRG, notably from the Department of Environment, Land, Water and Planning (DELWP);
- consider the effectiveness of management information and other systems of internal control;
- review the annual financial statements with management and the external auditors prior to their approval by the Board;
- review and consider reports issued by the external auditor or any other internal or specialist auditor on weaknesses in internal controls and plans by management to rectify any matters noted;
- oversight development and management of the annual budget;
- review any significant transactions which are not a normal part of Loddon Mallee WRRG operations; and
- ensure a risk management framework and processes are effectively operating to support Loddon Mallee WRRG governance and management.

The Committee is also empowered to recommend to the Board on various activities and procedures including banking, insurance, asset valuations and the implementation of information technology systems.

Meeting Dates

Friday 13 August 2021 Teleconference

Friday 11 March 2022 Teleconference

| Membership | Eligible for attendance | Attendance | Term of appointment |
|---|-------------------------|------------|-----------------------------|
| Julie Green (Chair) | 2 | 2 | 1 July 2021 to 30 June 2022 |
| Daryl Warren | 2 | 2 | 1 July 2021 to 30 June 2022 |
| Lorraine Learmonth | 2 | 2 | 1 July 2021 to 30 June 2022 |
| Jennifer Anderson (ex- officio as Chair of the Board) | 2 | 2 | 1 July 2021 to 30 June 2022 |

Risk Management

The Loddon Mallee WRRG have in place a risk management framework, comprising a Risk Management Policy, risk appetite and risk registers. Separate risk registers exist for strategic and operational risks. The Strategic Risk Register is monitored and updated on a regular basis by the Finance, Risk and Audit Committee. The Operational Risk Register is maintained and updated on a regular basis by the Acting Executive Officer.

Human Resource Committee

The Human Resource Committee assists the Board and the Chair in considering the appointment, remuneration and performance of the Loddon Mallee WRRG Executive Officer and reviews governance and strategic policies and strategies related to human resources required for the function of the organisation.

Meeting Dates

Friday 8 October 2021 Teleconference

| Membership | Eligible for attendance | Attendance | Term of appointment |
|------------------------------|-------------------------|------------|-----------------------------|
| Jennifer Anderson (Chair) | 1 | 1 | 1 July 2021 to 30 June 2022 |
| Geoff Curnow | 1 | 0 | 1 July 2021 to 30 June 2022 |
| Natalie McCarthy | 1 | 1 | 1 July 2021 to 30 June 2022 |
| Svetla Petkova | 1 | 1 | 1 July 2021 to 30 June 2022 |

Local Government Waste Forum

Section 391 of the the EP Act requires the establishment of a Local Government Waste Forum (The Forum) to support the effective operation of the Board of the Loddon Mallee WRRG. The Forum's membership consists of one Councillor from each of the region's eight member Councils.

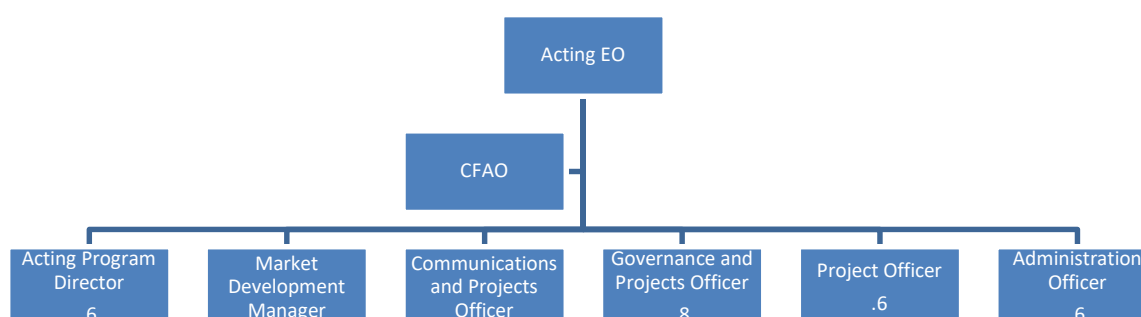
The Forum aims to engage with industry, Government and community stakeholders to develop and deliver effective, efficient and sustainable resource recovery and waste planning and management in the Loddon Mallee Waste and Resource Recovery Region.

Technical Advisory Reference Group (TARG)

The Technical Advisory Reference Group (TARG) is a sub-group of the Loddon Mallee Local Government Waste Forum. The TARG was established to advise, assist and inform the Loddon Mallee Local Government's Waste Forum. The TARG investigates, makes recommendations and provides expert advice to the Forum on technical matters relevant to the delivery of Loddon Mallee Councils waste and recycling services.

Staff Structure

As at 30 June 2022



| Position Title | Employee |
|---|----------------|
| Acting Executive Officer | Melanie Bell |
| Acting Program Director | Tony Rijs |
| Market Development Manager | Ian Gillingham |
| Communications and Projects Officer | Natalie Clue |
| Governance and Projects Officer | Sharna Ross |
| Project Officer | Vacant |
| Administration Officer | Vacant |
| Contractor – Chief Financial Accounting Officer | Colin Height |

Occupational Health and Safety

The Loddon Mallee WRRG is committed to providing and maintaining, as far as is practicable, for its employees a working environment that is safe and without risk. This commitment is embodied in the staff induction and various health, safety and wellbeing Policies. Occupational Health and Safety is also a standing agenda item at monthly staff meetings.

The Loddon Mallee WRRG utilises the following interrelated approaches to the management of occupational health and safety:

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

The Loddon Mallee WRRG did not report any hazard/ incidents for the year.

WORKFORCE DATA

Public Sector Values and Employment Principles

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

The Loddon Mallee WRRG continues to improve its policies and practices that are consistent with the Victorian Public Service employment principles which provide for fair treatment, career opportunities and the early resolution of workplace issues.

The Loddon Mallee WRRG includes public sector values as part of employee induction and regular staff meetings. The Loddon Mallee WRRG advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Workforce Data

On the 30 June 2022, the Loddon Mallee WRRG employed five staff members (4.4 full time equivalent staff), compared to nine staff members (6.8 full time equivalent staff), on 30 June 2021.

The proportion of women was 60% compared to 66.66% on 30 June 2021.

Employees have been correctly classified in workforce data collections.

| Workforce Data | 2021/2022 | 2020/2021 | 2019/2020 | 2018/2019 | 2017/2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| Total employees | 5 | 9 | 8 | 8 | 9 |
| Senior Management (salary less than \$120,000) | 1 | 1 | 1 | 1 | 1 |
| Full Time | 3 | 3 | 3 | 4 | 3 |
| Part Time | 1 | 5 | 5 | 4 | 6 |
| Casual | 1 | 1 | 0 | 0 | 0 |
| Equivalent Full Time | 4.4 | 6.8 | 6 | 6.6 | 6.8 |
| Age Range | | | | | |
| 15-24 | | 0 | 0 | 0 | 0 |
| 25-34 | 1 | 1 | 0 | 1 | 1 |
| 35-44 | 1 | 2 | 2 | 2 | 3 |
| 45-54 | 1 | 3 | 4 | 4 | 4 |
| 55-64 | 1 | 2 | 2 | 1 | 1 |
| 65+ | 1 | 1 | 0 | 0 | 0 |
| Position Classification | | | | | |
| Grade 3 | 0 | 2 | 2 | 1 | 2 |
| Grade 4 | 2 | 4 | 3 | 4 | 4 |
| Grade 5 | 2 | 2 | 1 | 1 | 1 |
| Grade 6 | 0 | 1 | 1 | 1 | 1 |
| Grade 7 | 1 | 0 | 0 | 0 | 0 |
| PEERS | 0 | 0 | 1 | 1 | 1 |

Workforce Inclusion Policy

Based on the size of the organisation, the Loddon Mallee WRRG does not have a formal Workforce Inclusion Policy. However, 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.

OTHER DISCLOSURES

Local Jobs First Act 2003

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

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, of \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

There were no contracts or grants over \$1 million awarded by Loddon Mallee WRRG during the 2021/2022 reporting period. (2020/2021 Nil).

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.

The ten SPF objectives are:

- Opportunities for Victorian Aboriginal people;
- Opportunities for Victorians with disability;
- Women's equality and safety;
- Opportunities for disadvantaged Victorians;
- Supporting safe and fair workplaces;
- Sustainable Victorian social enterprise and Aboriginal business sectors;
- Sustainable Victorian regions;
- Environmentally sustainable outputs;
- Environmentally sustainable business practices.

The Loddon Mallee WRRG has adopted a Social Procurement Strategy and updated the Acquisition of Assets, Goods and Services Policy to incorporate social procurement components and environmental sustainability.

Government Advertising Expenditure

Loddon Mallee WRRG's expenditure in the 2021/2022 reporting period on government campaign expenditure did not exceed \$100,000. (2020/2021 did not exceed \$100,000)

Consultancy Expenditure

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

There were no consultancies undertaken where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in 2021/2022 in relation to this consultancy was \$0, (2020/2021 \$33,082).

Details of Consultancies under \$10,000

There were no consultancies undertaken with a value of less than \$10,000 during the 2021/2022 reporting period. The total expenditure incurred during 2021/2022 in relation to these consultancies was \$0 (excl. GST). (2020/2021 \$0 excl. GST).

Information and Communication Technology Expenditure

For the 2021/2022 reporting period, Loddon Mallee WRRG had a total ICT expenditure of \$918 (2020/2021 \$1,430), with the details shown below:

| All operational ICT expenditure | ICT Expenditure related to projects to create or enhance ICT capabilities | | |
|---|---|-------------------------|---------------------|
| Business as Usual (BAU) ICT expenditure | Non-Business as Usual (BAU) ICT Expenditure | Operational Expenditure | Capital Expenditure |
| (Total) | (Total = Operational expenditure and capital expenditure) | \$ | |
| \$918 | \$0 | \$918 | \$0 |

ICT expenditure refers to Loddon Mallee 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 Loddon Mallee WRRG’s current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

Major Contracts

The Loddon Mallee WRRG did not enter into any contracts greater than \$10 million in value during the reporting period.

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by the Loddon Mallee WRRG. The purpose of the FOI 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 FOI Act.

An applicant has a right to apply for access to documents held by the Loddon Mallee WRRG. This comprises documents both created by the Loddon Mallee WRRG or supplied to the Loddon Mallee 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 the Loddon Mallee WRRG is available on the Loddon Mallee WRRG website under its Part II Information Statement.

The FOI Act allows the Loddon Mallee 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 the Loddon Mallee WRRG in-confidence.

From 1 September 2017, the FOI Act has been amended to reduce the Freedom of Information 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 the Loddon Mallee WRRG, under section 49A of the FOI 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.

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 the Loddon Mallee WRRG's Executive Officer, as detailed in s17 of the FOI Act.

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 the Loddon Mallee WRRG should be addressed to:
Recycling Victoria
Level 36, 2 Lonsdale Street
Melbourne, VIC, 3000
By email: recycling.victoria@delwp.vic.gov.au

There were no requests received under the FOI Act during the reporting period 2021-2022.

Further information regarding the operation and scope of FOI can be obtained from the FOI Act; regulations made under the FOI Act; and www.foi.vic.gov.au.

Building Act 1993

The Loddon Mallee 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*.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned.

Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Loddon Mallee WRRG ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body. The Loddon Mallee WRRG is a public body for the purposes of the PID Act.

What is a public interest disclosure?

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

- 'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.
- 'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

You can make a public interest disclosure about the Loddon Mallee WRRG or its board members, officers, or employees by contacting IBAC (details below). The Loddon Mallee WRRG is not able to receive public interest disclosures.

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, VIC, 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.

Office-based Environmental Impacts

The Loddon Mallee WRRG is committed to leading by example in promoting and maintaining the principles of sustainability, especially with waste minimisation and resource recovery within its office environment and projects that it delivers.

The Loddon Mallee WRRG has in place an Environment Policy outlining the organisations commitment to improving the environmental performance of our activities, and to be leaders in the best practice environmental management of these.

The Acquisition of Assets, Goods and Services Policy sets out to support the circular economy and environmental sustainability principles.

Additional Information Available on Request

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 the Loddon Mallee WRRG and are available on request, subject to the provisions of the FOI Act:

- declarations of pecuniary interests have been duly completed by all relevant officers;
- details of publications produced by Loddon Mallee WRRG about itself, and how these can be obtained;
- details of any major external reviews carried out on Loddon Mallee WRRG;
- details of major research and development activities undertaken by Loddon Mallee WRRG;
- details of major promotional, public relations and marketing activities undertaken by Loddon Mallee WRRG to develop community awareness of the entity and its services; and
- details of changes in prices, fees, charges, rates and levies charged.

Recycling Victoria
Level 36, 2 Lonsdale Street
Melbourne, VIC, 3000
By email: recycling.victoria@delwp.vic.gov.au

Statutory Certification

DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the Loddon Mallee 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 the Loddon Mallee Waste and Resource Recovery Group 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

FINANCIAL STATEMENTS

How the report is structured

The Loddon Mallee WRRG has presented its audited general- purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Loddon Mallee WRRG's stewardship of resources entrusted to it.

| | | |
|---|--|-----------|
| Financial statements | Comprehensive Operating Statement | 41 |
| | Balance Sheet | 42 |
| | Cash Flow Statement | 43 |
| | Statement of Changes in Equity | 44 |
| Notes to the financial statements | 1. About this report | 45 |
| | The basis on which the financial statements have been prepared and compliance with reporting regulations | |
| | 2. Funding Delivery of Our Services | 48 |
| | Revenue recognised from taxes, grants, sales of goods and services and other sources | |
| | 2.1 Summary of revenue and income that funds our service | 48 |
| | 2.2 Landfill levy revenue | 48 |
| | 2.3 Grants | 48 |
| | 3. Expenses incurred in Delivery of Services | 49 |
| | Operating expenses of the Loddon Mallee WRRG | |
| | 3.1 Expenses incurred in delivery of services | 49 |
| | 3.2 Employee benefit expenses | 49 |
| | 3.3 Employee benefit provision | 50 |
| | 3.4 Superannuation | 52 |
| 3.5 Project expenses | 52 | |
| 3.6 Specific Purpose Grants | 53 | |
| 3.7 Other operating expenses | 53 | |
| 4. Key Assets Available to Support Output Delivery | 54 | |
| Plant and equipment utilised in fulfilling the Loddon Mallee WRRG's objectives and conducting its activities. | | |
| 4.1 Total Property, Plant and Equipment | 54 | |

**Notes to the
financial
statements
(continued)**

| | |
|--|-----------|
| 5. Other Assets and Liabilities | 57 |
| Working capital balances, and other key assets and liabilities | |
| 5.1 Receivables | 57 |
| 5.2 Payables | 57 |
| 5.3 Other non-financial assets | 58 |
| 6. How we Financed our Operations | 58 |
| Interest bearing liabilities, cash flow information and leases | |
| 6.1 Borrowings | 58 |
| 6.2 Leases | 59 |
| 6.3 Cash information and balances | 62 |
| 7. Risks, Contingencies and Valuation Judgements | 66 |
| Financial risk management, contingent assets and liabilities as well as fair value determination | |
| 7.1 Financial instrument specific disclosures | 64 |
| 7.2 Contingent assets and contingent liabilities | 66 |
| 8. Other Disclosures | 67 |
| 8.1 Ex gratia payments | 67 |
| 8.2 Responsible persons disclosure | 68 |
| 8.3 Remuneration of executives | 68 |
| 8.4 Related Parties | 69 |
| 8.5 Remuneration of Auditors | 70 |
| 8.6 Subsequent Events | 70 |
| 8.7 Australian Accounting Standards issued that are not yet effective | 71 |

Comprehensive Operating Statement
As at 30 June 2022

| Continuing operations | Note | 2022 \$ | 2021 \$ |
|--|------|--------------------|--------------------|
| Income from transactions | | | |
| Landfill levy distribution | 2.2 | 917,465 | 926,879 |
| Local Government Council Contribution | | 0 | 0 |
| Project revenue | 2.3 | 266,528 | 399,228 |
| Interest revenue | | 3,737 | 2,319 |
| Other revenue | | 3,682 | 14,299 |
| Total income from transactions | | 1,191,412 | 1,342,725 |
| Expenses from transactions | | | |
| Employee benefits expense | 3.2 | (796,187) | (765,194) |
| Project expenses | 3.5 | (102,652) | (132,145) |
| Specific Purpose Grants | 3.6 | (8,739) | (1,000) |
| Other operating expenses | 3.7 | (165,596) | (150,213) |
| Depreciation and amortisation | 4.1 | (41,000) | (40,131) |
| Total expenses from transactions | | (1,114,174) | (1,088,683) |
| Net result from transactions | | 77,238 | 254,042 |
| Other economic flows included in net result | | | |
| Net gain/(loss) on non-financial assets | | 10,548 | 11,642 |
| Net Result | | 87,786 | 265,684 |
| Total comprehensive result for the year | | 87,786 | 265,684 |

The accompanying notes from part of these financial statements

Notes:

- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
- (b) 'Net gain/(loss) on on-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

Balance Sheet
As at 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|------|------------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and Deposits | 6.3 | 1,160,374 | 864,913 |
| Receivables | 5.1 | 9,919 | 232,892 |
| Prepayments | 5.3 | 220 | 812 |
| Assets Held for Sale | | 30,319 | - |
| Total Current Assets | | 1,200,832 | 1,098,617 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 4.1 | 69,186 | 85,551 |
| Total Non-Current Assets | | 69,186 | 85,551 |
| Total Assets | | 1,270,018 | 1,184,168 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables | 5.2 | 19,489 | 54,754 |
| Lease Liabilities | 6.1 | 50,067 | 63,240 |
| Employee Related Provisions | 3.3 | 83,863 | 64,440 |
| Total Current Liabilities | | 153,419 | 182,434 |
| Non-Current Liabilities | | | |
| Lease Liabilities | 6.1 | 50,911 | 9,872 |
| Employee Benefits Provision | 3.3 | 9,400 | 23,360 |
| Total Non-Current Liabilities | | 60,311 | 33,232 |
| Total Liabilities | | 213,730 | 215,666 |
| Net Assets | | 1,056,288 | 968,502 |
| Equity | | | |
| Contributed Capital | | 201,212 | 201,212 |
| Physical Asset Revaluation Surplus | | 15,126 | 15,126 |
| Accumulated Surplus | | 839,950 | 752,164 |
| Total Equity | | 1,056,288 | 968,502 |

The accompanying notes from part of these financial statements

Notes:

- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Cash Flow Statement

As at 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|------------------|-----------------|
| Cash Flows from Operating Activities | | | |
| Receipts from government | | 1,416,583 | 1,353,399 |
| Receipts from other entities | | - | 3,024 |
| Payments to suppliers and employees | | (1,101,052) | (1,018,747) |
| Goods and Services Tax (paid to)/refunded from ATO | | 12,972 | (4,853) |
| Interest paid | | (1,810) | (2,529) |
| Interest received | | 3,737 | 2,319 |
| Net cash provided by operating activities | | 330,430 | 332,613 |
| Cash Flows from Investing Activities | | | |
| Sales of non-financial assets | | 17,281 | 11,642 |
| Purchases of non-financial assets | | - | - |
| Net cash provided/(used) by investing activities | | 17,281 | 11,642 |
| Cash Flows from Financing Activities | | | |
| Net proceeds/(repayment) of interest-bearing liabilities | | (52,250) | (41,484) |
| Net cash provided/(used) by financing activities | | (52,250) | (41,484) |
| Net increase/(decrease) in cash and cash equivalents held | | 295,461 | 302,771 |
| Cash and cash equivalents at beginning of financial year | | 864,913 | 562,142 |
| Cash and cash equivalents at 30 June 2022 | | 1,160,374 | 864,913 |

The accompanying notes form part of these financial statements.

Notes:

- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.
- (b) GST paid to the Australian Taxation Office is presented on a net basis.
- (c) Loddon Mallee WRRG has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Statement of Changes in Equity
As at 30 June 2022

| 2022 | Asset Revaluation Surplus \$ | Contributed Capital \$ | Accumulated Surplus \$ | Total \$ |
|--------------------------------|---------------------------------------|------------------------------|------------------------------|------------------|
| Balance at 1 July 2021 | 15,126 | 201,212 | 752,164 | 968,502 |
| Other Comprehensive Income | - | - | - | - |
| Net result to 30 June 2022 | - | - | 87,786 | 87,786 |
| Balance at 30 June 2022 | 15,126 | 201,212 | 839,950 | 1,056,288 |

| 2021 | Asset Revaluation Surplus \$ | Contributed Capital \$ | Accumulated Surplus \$ | Total \$ |
|--------------------------------|---------------------------------------|------------------------------|------------------------------|----------------|
| Balance at 1 July 2020 | 15,126 | 201,212 | 486,479 | 702,817 |
| Other Comprehensive Income | - | - | - | - |
| Net result | - | - | 265,684 | 265,684 |
| Balance at 30 June 2021 | 15,126 | 201,212 | 752,164 | 968,502 |

The accompanying notes form part of these financial statements:

- (a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Notes to the Financial Statements – For the Year Ended 30 June 2022

1 About this report

The Loddon Mallee 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*. This EP Act was repealed as of 1 July 2021 and replaced with the *Environment Protection Act 2017* which states the continuance of Waste and Resource Recovery Groups reference section 382.

Its principal address is:

Loddon Mallee Waste and Resource Recovery Group
Level 1, 43 Williamson Street,
Bendigo, Victoria 3550

A description of the nature of its operations and its principal activities is included in the **Report of Operations**, which does not form part of these financial statements.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Consistent with the requirements of AASB 1004, 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 Loddon Mallee WRRG.

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.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover the Loddon Mallee WRRG as an individual reporting entity.

Going Concern Basis

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 Loddon Mallee 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 the Loddon Mallee WRRG on 19 December 2022.

Compliance Information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA Act) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 General Government Sector Financial Reporting.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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.

Loddon Mallee WRRG has implemented a working from home policy during the lockdown periods. Whilst some projects have been delayed the impact of coronavirus and the resulting Government imposed restrictions have not had a significant impact on Loddon Mallee 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.

2 Funding Delivery of Our Services

Loddon Mallee WRRG's purpose is to work with the 8 councils in the Loddon Mallee region, the Victorian Government environment portfolio (DELWP, SV and EPA) and the regional waste and resource recovery groups, industry, business and the community to plan, facilitate and deliver an integrated and sustainable waste and resource recovery system.

Significant judgement: Grants Revenue

Loddon Mallee 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.

Loddon Mallee WRRG does not have any income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers that would be required to be recognised under AASB 15.

2.1 Summary of Income that Funds our Service

| Source | Note | 2022 \$ | 2021 \$ |
|---------------------------------------|------|------------------|------------------|
| Landfill Levy Income | 2.2 | 917,465 | 926,879 |
| Local Government Council Contribution | 2.3 | - | - |
| Project Income | 2.3 | 266,528 | 399,228 |
| Interest Income | | 3,737 | 2,319 |
| Other revenue | | 3,682 | 14,299 |
| | | 1,191,412 | 1,342,725 |

Revenue and Income that fund delivery of Loddon Mallee WRRG's services are accounted for consistently with the requirement of the relevant accounting standards disclosed in the following notes.

Loddon Mallee WRRG's revenue is provided from five different funding streams, predominately being landfill levy, program funding from the Sustainability Fund, Local Government contributions to education campaigns, income received from bank interest and other contributions from project partners.

2.2 Landfill levy revenue

Landfill levy revenue is received via a Ministerial Determination in accordance with clause 70E of the *Environment Protection Act 1970* and distributed by the DELWP. The Ministerial Determination provides for an annual allocation distributed quarterly. Revenue from landfill levies is recognised as income for not-for-profit entities in accordance with AASB 1058.

2.3 Grants recognised under AASB 1058

Loddon Mallee WRRG has determined that the grant income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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

3. Expenses incurred in delivery of services

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

3.1 Expenses incurred in delivery of services

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------|------|------------------|------------------|
| Employee benefit expenses | 3.2 | 796,187 | 765,197 |
| Project expenses | 3.5 | 102,652 | 132,145 |
| Grant expenses | 3.6 | 8,739 | 1,000 |
| Other operating expenses | 3.7 | 165,596 | 150,213 |
| Depreciation and amortisation | 4.1 | 41,000 | 40,131 |
| | | 1,114,174 | 1,088,683 |

3.2 Employee benefit expenses – comprehensive operating statement

| | Note | 2022 \$ | 2021 \$ |
|---|------|----------------|----------------|
| Defined contribution superannuation expense | | 69,615 | 63,700 |
| Salaries and wages, annual leave and long service leave | | 723,791 | 689,250 |
| Other Employment Expenses | | 2,781 | 12,244 |
| Total | | 796,187 | 765,194 |

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.3 Employee Benefits Provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

| Employee benefits in the balance sheet | 2022 \$ | 2021 \$ |
|---|---------------|---------------|
| Current provisions | | |
| Annual leave | | |
| Unconditional and expected to settle within 12 months | 23,253 | 41,251 |
| Long Service Leave | | |
| Unconditional and expected to settle within 12 months | 51,960 | 20,797 |
| Unconditional and expected to settle after 12 months | - | - |
| Provisions for On-costs | | |
| Unconditional and expected to settle within 12 months | 8,650 | 2,392 |
| Unconditional and expected to settle after 12 months | - | - |
| Total current provisions for employee | 83,863 | 64,440 |
| Non-current provisions | | |
| Employee Benefit | 8,430 | 16,697 |
| On-costs | 970 | 6,663 |
| Total non-current provisions for employee benefits | 9,400 | 23,360 |
| Total provisions for employee benefits | 93,263 | 87,800 |

Reconciliation of Movement in On-Cost Provisions

| | 2022 \$ | 2021 \$ |
|---------------------------------|--------------|--------------|
| Opening Balance | 9,055 | 7,908 |
| Additional provision recognised | 565 | 1,147 |
| Closing Balance | 9,620 | 9,055 |
| Current | 8,650 | 2,392 |
| Non-Current | 970 | 6,663 |
| | 9,620 | 9,055 |

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 the Loddon Mallee 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 the Loddon Mallee WRRG expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

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

Unconditional LSL is disclosed as a current liability; even where the Loddon Mallee 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 Loddon Mallee WRRG expects to wholly settle within 12 months;
or
- Present value – if Loddon Mallee WRRG does not expect to wholly settle within 12 months.

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

Employee benefits and on costs

Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as superannuation, payroll tax and workers' compensation insurance are recognised as a part of employee benefits.

3.4 Superannuation Contributions

Contributions by Loddon Mallee WRRG to superannuation plans for the financial year ended 30 June 2022 are detailed below:

| Scheme | Type of Scheme | Rate % | 2022 \$ | 2021 \$ |
|----------------------------|----------------------|--------|---------------|---------------|
| Vision Super Fund | Defined contribution | 10.0 | 7,783 | 5,959 |
| Other | Defined contribution | 10.0 | 61,832 | 57,741 |
| Total Contributions | | | 69,615 | 63,700 |

Loddon Mallee WRRG makes its employer superannuation contributions in respect of its employees and Directors to several superannuation schemes administered by various super fund management organisations including the Local Authorities Superannuation Fund Vision Super. Obligations for contributions to the fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2022, this was 10% required under Superannuation Guarantee legislation).

3.5 Project Expenses

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Litter Prevention BSWRRG Joint Project | - | 50,000 |
| CI & CD Data | 22,727 | - |
| RRIM | - | 32,850 |
| Compact Bin Trial | 5,370 | 20,499 |
| ResourceSmart | 10,313 | 14,459 |
| Other Projects | 64,242 | 14,337 |
| Total Project Expenses | 102,652 | 132,145 |

Loddon Mallee WRRG's staff are based in various locations throughout regional Victoria. The nature of the work undertaken by the organisation means that staff are usually required to undertake a significant amount of travel in order to perform their roles effectively.

Victoria has been under various states of lockdown as a result of coronavirus during 2021/2022, as a result staff have predominately been working remotely from home during these lockdown periods. This has impacted the organisation's ability to effectively implement normal programs.

3.6 Grant Expenses

| | 2022 | 2021 |
|--|--------------|--------------|
| | \$ | \$ |
| General purpose grants | - | - |
| Specific purpose grants for on passing | 8,739 | 1,000 |
| Payments for specific purposes | - | - |
| Total grant expenses | 8,739 | 1,000 |

Grant expenses are contributions of Loddon Mallee WRRG's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

3.7 Other operating expenses

| | 2022 | 2021 |
|--|----------------|----------------|
| Note | \$ | \$ |
| Victorian Auditor-General's Office External Audit Fees | 15,500 | 17,500 |
| Internal Auditor's Remuneration | 6,300 | 4,950 |
| Low Value Assets | 2,513 | 2,323 |
| Other operating expenses | 139,473 | 122,911 |
| Interest expense | 1,810 | 2,529 |
| Total | 165,596 | 150,213 |

Other operating expenses represent the day-to-day running costs incurred by Loddon Mallee WRRG in normal operations and are recognised as an expense in the reporting period in which they are incurred.

4. Key Assets Available to Support Output Delivery

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

4.1 Total Property, Plant, and Equipment

| | Gross Carrying Amount | | Accumulated Depreciation | | Net Carrying Amount | |
|---------------------------------|-----------------------|----------------|--------------------------|-----------------|---------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Buildings at right of use | 42,418 | 42,418 | (32,655) | (18,516) | 9,763 | 23,902 |
| Plant & equipment at fair value | 15,045 | 40,509 | (9,655) | (28,709) | 5,390 | 11,800 |
| Motor Vehicles | 62,503 | 92,257 | (8,470) | (42,409) | 54,033 | 49,848 |
| Net Carrying Amount | 119,966 | 175,184 | (50,780) | (89,634) | 69,186 | 85,550 |

Notes:

(a) AASB 16 Leases has been applied for the first time from 1 July 2019.

4.1(a) Total Right-of-Use Assets: Buildings, Plant and Equipment and Vehicles

The following table is a subset of buildings, and plant and equipment by right-of-use assets

| | Buildings | Motor Vehicles |
|---------------------------------------|--------------|----------------|
| | \$ | \$ |
| Opening Balance – 1 July 2021 | 23,902 | 49,848 |
| Additions | - | 62,503 |
| Disposals | - | (39,546) |
| Depreciation | (14,139) | (18,772) |
| Closing Balance – 30 June 2022 | 9,763 | 54,033 |

Initial recognition: Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation, amortisation, and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Right-of-use asset acquired by lessees – Initial Measurement

Loddon Mallee WRRG 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 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 was located.

Right-of-use asset – Subsequent Measurement

Loddon Mallee 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.

Depreciation and Amortisation

Charge for the period

| | 2022 | 2021 |
|--|---------------|---------------|
| | \$ | \$ |
| Buildings | 14,139 | 17,615 |
| Plant & Equipment | 8,089 | 6,808 |
| Motor Vehicles | 18,772 | 15,708 |
| Total Depreciation and Amortisation | 41,000 | 40,131 |

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| Asset | Useful life (yrs.) |
|--------------------------|---------------------------|
| Buildings - Right of use | 3-5 |
| Motor Vehicles | 3-5 |
| Plant & equipment | 3-10 |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments made where appropriate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Loddon Mallee WRRG obtains ownership of the underlying leased asset 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.

Reconciliation of Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

| | Buildings 2022 \$ | Buildings 2021 \$ | Motor Vehicle 2022 \$ | Motor Vehicle 2021 \$ | Plant and Equipment 2022 \$ | Plant and Equipment 2021 \$ | Total 2022 \$ | Total 2021 \$ |
|---------------------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------------|---------------------|---------------------|
| Opening Balance(a) | 23,902 | 64,110 | 49,848 | 78,871 | 11,800 | 18,686 | 85,550 | 161,667 |
| Additions | - | - | 62,503 | - | 20,499 | - | 83,002 | - |
| Revaluation | - | - | - | - | - | (78) | - | (78) |
| Disposals - written down value | - | (22,593) | (39,546) | (13,315) | (18,820) | - | (58,366) | (35,908) |
| Depreciation | (14,139) | (17,615) | (18,772) | (15,708) | (8,089) | (6,808) | (41,000) | (40,131) |
| Balance at the end of the year | 9,763 | 23,902 | 54,033 | 49,848 | 5,390 | 11,800 | 69,186 | 85,550 |

5. Other Assets and Liabilities

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

5.1 Receivables

| | 2022 | 2021 |
|----------------------------------|--------------|----------------|
| Current | \$ | \$ |
| Statutory receivables | | |
| Landfill Levy | - | 231,720 |
| | - | 231,720 |
| Contractual receivables | | |
| Other receivables | 9,919 | 1,172 |
| Total Current Receivables | 9,919 | 232,892 |

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

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost.' They are initially recognised at fair value plus any directly attributable transaction costs.

Statutory receivables do not arise from contacts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. Loddon Mallee 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.

5.2 Payables

| | 2022 | 2021 |
|--------------------------------|----------------|---------------|
| Current | \$ | \$ |
| Contactors and Payables | | |
| Accruals - External Audit Fees | 17,050 | 17,500 |
| Other Payables | 1,385 | 3,546 |
| Trade Creditors | 3,885 | 15,582 |
| | 22,320 | 36,628 |
| Statutory Payables | | |
| PAYG Payable | - | 21,452 |
| GST Payable and (Receivable) | (2,831) | (3,326) |
| | (2,831) | 18,126 |
| Total | 19,489 | 54,745 |

Payables consist of:

- **contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Loddon Mallee WRRG prior to the end of the financial year that are unpaid; and
- **statutory payables** that 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 contracts.

Payable for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the first 30 days from the date of invoice.

5.3 Other non-financial assets

| | 2022 | 2021 |
|-------------|------|------|
| Current | \$ | \$ |
| Prepayments | 220 | 812 |

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6. How We Financed our Operations

This section provides information on the sources of finance utilised by the Loddon Mallee WRRG during its operations, along with the basis of recognition of interest expenses (the cost of borrowings) and other information related to financing the activities of the Loddon Mallee WRRG.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

6.1 Borrowings

| | 2022 | 2021 |
|-------------------------------------|----------------|---------------|
| | \$ | \$ |
| Current Borrowings | | |
| Lease Liabilities | 50,067 | 63,240 |
| Total Current Borrowings | 50,067 | 63,240 |
| Non-Current Borrowings | | |
| Lease Liabilities | 50,911 | 9,872 |
| Total Non-Current Borrowings | 50,911 | 9,872 |
| Total Borrowings | 100,978 | 73,112 |

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangement liabilities and other interest-bearing arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless the Department elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

Maturity analysis of borrowings

| | Carrying amount | Nominal amount | Less than 1 month | Maturity dates | | | |
|-------------------|-----------------|----------------|-------------------|----------------|-------------------|---------------|----------|
| | | | | 1-3 months | 3 months - 1 year | 1-5 years | 5+ years |
| 2022 | | | | | | | |
| Lease liabilities | 100,978 | 103,084 | 33,066 | 3,988 | 13,011 | 53,019 | - |
| Total | 100,978 | 103,084 | 33,066 | 3,988 | 13,011 | 53,019 | - |
| 2021 | | | | | | | |
| Lease liabilities | 73,113 | 73,718 | 12,404 | 41,019 | 10,702 | 9,593 | - |
| Total | 73,113 | 73,718 | 12,404 | 41,019 | 10,702 | 9,593 | - |

Interest Expense

| | 2022 \$ | 2021 \$ |
|-------------------------------|--------------|--------------|
| Interest on Lease Liabilities | 1,810 | 2,529 |
| Total Interest Expense | 1,810 | 2,529 |

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

Interest expense is recognised in the period in which it is incurred.

6.2 Leases

At the beginning of the year Loddon Mallee WRRG leased one office property and four motor vehicles. During the year 3 Motor Vehicles were disposed of and 2 were acquired.

The lease for office premises in Bendigo is for a fixed term of three years with fixed lease payments. The motor vehicle leases are held with VicFleet and are for three year terms with fixed lease repayments.

Leased equipment with contract terms of that are either short-term and/or low-value items have not been recognised as right-of-use assets and lease liabilities.

6.2 (a) Right of use assets

Right-of-use assets are presented in note 4.1(a).

6.2 (b) Amounts recognised in the Statement of Comprehensive Income

The following amounts are recognised in the Statement of Comprehensive Income relating to leases:

| | 2022 \$ | 2021 \$ |
|---|--------------|--------------|
| Interest expense on lease liabilities | 1,810 | 2,529 |
| Total amount recognised in the comprehensive operating statement | 1,810 | 2,529 |

(c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2022 relating to leases:

| | 2022 \$ |
|--------------------------------------|---------------|
| Total cash outflow for leases | 52,250 |

For any new contracts entered into, Loddon Mallee 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 Loddon Mallee 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 Loddon Mallee WRRG and for which the supplier does not have substantive substitution rights;
- Whether Loddon Mallee 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 Loddon Mallee WRRG has the right to direct the use of the identified asset throughout the period of use; and
- Whether Loddon Mallee 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 Loddon Mallee 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 rebate;
- variable payments based on an index 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

Loddon Mallee 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.

Presentation of right-of-use assets and lease liabilities

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

6.3 Cash Flow Information and Balances

| | 2022 | 2021 |
|--------------|--------------------|----------------|
| | \$ | \$ |
| Cash at Bank | \$1,160,374 | 864,913 |
| | \$1,160,374 | 864,913 |

Cash and deposits, including cash equivalents, comprise cash on hand, cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes and which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reconciliation of net result for the period to cashflows from operating activities

| | 2022 | 2021 |
|---|----------------|----------------|
| | \$ | \$ |
| Net result | 87,786 | 265,684 |
| Non cash flows in net result: | | |
| Depreciation and amortisation | 41,000 | 40,131 |
| Forgiveness or waiver of debt | - | - |
| Changes in assets and liabilities: | | |
| • Net (gain)/loss on disposal of plant and equipment | 18,820 | 11,642 |
| • (increase)/decrease in trade and other receivables | 223,874 | 27,193 |
| • (increase)/decrease in prepayments | 592 | (8,605) |
| • increase/(decrease) in trade and other payables | (47,105) | 4,567 |
| • increase/(decrease) in employee benefits provisions | 5,463 | (7,999) |
| Cashflow from operations | 330,430 | 332,613 |

7. Risks, Contingencies and Valuation Judgements

Loddon Mallee 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 information (including exposures to financial risk) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Loddon Mallee WRRG related mainly to fair value determination.

7.1 Financial instrument specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Loddon Mallee WRRG's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of Financial Assets

Financial assets at amortised cost

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

- the assets are held by the Loddon Mallee WRRG to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Loddon Mallee WRRG recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Categories of Financial Liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss over the period of the interest bearing liability, using the effective interest rate method. Loddon Mallee WRRG recognises the following financial liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities)

Financial Instruments: Categorisation

| | Financial liabilities at amortised cost \$ | Total \$ |
|--|--|----------------|
| 2022 | | |
| Borrowings | | |
| Lease liabilities | 100,978 | 100,978 |
| Total contractual financial liabilities | 100,978 | 100,978 |

| | Financial liabilities at amortised Cost \$ | Total \$ |
|--|---|---------------|
| 2021 | | |
| Borrowings | | |
| Lease liabilities | 73,112 | 73,112 |
| Total contractual financial liabilities | 73,112 | 73,112 |

Financial Instruments – Net Holding Gain/(Loss) on Financial Instruments

| | Total interest income/ (expense) \$ | Total \$ |
|--|---|----------------|
| 2022 | | |
| Contractual financial liabilities | | |
| Financial liabilities at amortised cost | (1,810) | (1,810) |
| Total contractual financial liabilities | (1,810) | (1,810) |

| | Total interest income/ (expense) \$ | Total \$ |
|--|---|----------------|
| 2021 | | |
| Contractual financial liabilities | | |
| Financial liabilities at amortised cost | (2,529) | (2,529) |
| Total contractual financial liabilities | (2,529) | (2,529) |

Financial Risk Management Objectives and Policies Financial Risk management

Loddon Mallee WRRG is exposed to a variety of financial risks through its use of financial instruments. Loddon Mallee WRRG does not speculate in financial assets.

Loddon Mallee WRRG's main financial risks include market risk, interest rate risk, credit risk and liquidity risk.

Loddon Mallee WRRG uses different methods to measure and manage the different risks to which it is exposed. Primarily responsibility for the identification and management of financial risks rests with the Accountable Officer.

Specific information regarding the mitigation of each financial risk to which Loddon Mallee WRRG is exposed is provided below.

Credit risk

Credit risk refers to the possibility that a counterparty will default on its contractual obligations resulting in a financial loss to Loddon Mallee WRRG.

Loddon Mallee WRRG has exposure to credit risk on all financial assets included in the balance sheet. To help manage this risk Loddon Mallee WRRG only invests surplus funds with financial institutions which have a recognised credit rating specified in Loddon Mallee WRRG's investment policy. Trade and other receivable are spread across the business and government sectors. Credit risk associated with Loddon Mallee WRRG's financial assets is minimal. Apart from the Victorian Government (Triple 'A' credit rating), the Loddon Mallee WRRG does not have any significant credit risk exposure to a single customer or groups of customers.

Ongoing credit evaluation is performed on the financial condition of Loddon Mallee WRRG's customers and where appropriate, an allowance for doubtful debts is raised.

The balances of receivables are within initial trade terms and are considered to be of high credit quality. No debts are past due date and there are no doubtful debts.

Impairment of financial assets under AASB 9

Loddon Mallee WRRG records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include Loddon Mallee WRRG's contractual receivables and its statutory receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no impairment recorded for this financial asset.

Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 90 days overdue, and changes in debtor credit ratings. Loddon Mallee WRRG does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets. At balance date, there was no expected or incurred loss as a result of receivables not being paid. There was also no provision for impairment of receivables at 30 June 2019 that required reassessment under AASB 9

Statutory Receivables at amortised cost

Loddon Mallee WRRG's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Loddon Mallee WRRG operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. Loddon Mallee WRRG is exposed to liquidity risk mainly through the financial liabilities disclosed in the face of the balance sheet and the amounts related to financial guarantees. LMWRRG manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews of current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations; and
- monitors cash flow performance on a regular basis, based on historical high and low flow periods.

Loddon Mallee WRRG's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Market risk

Loddon Mallee WRRG's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk, to which Loddon Mallee WRRG is exposed, are discussed below

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument, will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that Loddon Mallee WRRG uses.

Non derivative interest-bearing assets are predominantly short-term liquid assets. Loddon Mallee WRRG's long-term interest-bearing liabilities (finance leases) are at fixed rates however Loddon Mallee WRRG is not exposed to significant fair value interest rate risk.

Investment of surplus funds is made with approved financial institutions. Loddon Mallee WRRG manages interest rate risk by following an investment policy that ensures:

- conformity with state regulations and standards;
- adequate safety;
- appropriate liquidity; and
- maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

To the best of Loddon Mallee WRRG's knowledge, Loddon Mallee WRRG did not have contingent assets at 30 June 2022.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

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

8. Other disclosures

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

8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. Loddon Mallee WRRG did not have any Ex gratia expenses in 2021/2022.

8.2 Responsible Persons

The responsible minister for the full year was the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action.

| Current Position | Board Members Name | Tenure |
|------------------|--------------------|---------------------------------|
| Director | Jennifer Anderson | 1/07/2021 to 30/06/2022 (Chair) |
| Director | Geoff Curnow | 1/07/2021 to 30/06/2022 |
| Director | Julie Green | 1/07/2021 to 30/06/2022 |
| Director | Svetla Petkova | 1/07/2021 to 30/06/2022 |
| Director | Lorraine Learmonth | 1/07/2021 to 30/06/2022 |
| Director | Daryl Warren | 1/07/2021 to 30/06/2022 |
| Director | Natalie McCarthy | 1/07/2021 to 30/06/2022 |

| Accountable Officer | Name | Tenure |
|--------------------------|--------------|-------------------------|
| Acting Executive Officer | Melanie Bell | 1/07/2021 to 30/06/2022 |

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Loddon Mallee WRRG during the reporting period was in the range of \$180,000 - \$190,000

Remuneration received or receivable by the Board Members in connection with the management of the Loddon Mallee WRRG during the reporting period was in the range of \$20,000 - \$29,999

The remuneration of the Minister is disclosed in the Financial Statements of the Department of Premier and Cabinet.

8.3 Remuneration of executives

The number of executive officers, other than minister and accountable officer, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

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 include 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.

| Remuneration of Executive Officer | Total Remuneration | |
|---|--------------------|-------------------|
| | 2022 ('\$'000) | 2021 ('\$'000) |
| Short-term employee benefits | 183 | 114 |
| Post-employment benefits | | - |
| Other long-term benefits | - | - |
| Termination benefits | | - |
| Share-based payments | n/a | n/a |
| Total remuneration (a) | 183 | 114 |
| Total number of executives | 1 | 2 |
| Total annualised employee equivalents (b) | 1 | 1 |

Notes:

The total number of executive officers includes one person who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.3).

Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4 Related Parties

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

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- 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

The Loddon Mallee WRRG received funding from the Landfill Levy and Consolidated Fund of \$1.08 million (2021: \$1.3 million).

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

- Core funding from Landfill Levy from DELWP \$917,465
- Recycle Victoria Funding from Sustainability Victoria \$167,333
- ResourceSmart Project funding from Sustainability Victoria \$90,177
- Total Related Party Transactions \$1,174,975

Key management personnel of the Loddon Mallee WRRG includes the Portfolio Minister, the Hon. Lily D'Ambrosio MP, Minister for Environment and Climate Action and Solar Homes, the Loddon Mallee WRRG Board Members and Executive Officer.

Key management personnel of the Loddon Mallee WRRG pursuant to section 53(1)(b) of the FMA into the Loddon Mallee WRRG's financial statements include:

| Entity | Key Management Personnel | Position Title |
|--------------------|--------------------------|--------------------------|
| Loddon Mallee WRRG | Melanie Bell | Acting Executive Officer |
| Loddon Mallee WRRG | Jennifer Anderson | Chair |
| Loddon Mallee WRRG | Julie Green | Deputy Chair |
| Loddon Mallee WRRG | Geoff Curnow | Board Member |
| Loddon Mallee WRRG | Lorraine Learmonth | Board Member |
| Loddon Mallee WRRG | Svetla Petkova | Board Member |
| Loddon Mallee WRRG | Daryl Warren | Board Member |
| Loddon Mallee WRRG | Natalie McCarthy | Board Member |

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 members of the public e.g., stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Loddon Mallee 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 from related parties.

8.5 Remuneration of Auditors

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| | \$ | \$ |
| Victorian Auditor-General's Office | 15,500 | 17,500 |
| Internal Audit | 6,300 | 4,950 |
| Total remuneration of auditors | 21,800 | 21,950 |

8.6 Subsequent events

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

Please refer to Going Concern Basis for detailed information.

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 2021/2022 Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not early adopt the Standard. Loddon Mallee WRRG is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

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

- AASB 17 Insurance Contracts.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures.
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2.
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments.

Financial Management Compliance Attestation Statement

I, John Bradley, on behalf of the Responsible Body, certify that the Loddon Mallee Waste and Resource Recovery Group has been granted an exemption from the Standing Directions 2018 and Instructions under the *Financial Management Act 1994*. This exemption has been granted by the Assistant Treasurer on the basis Loddon Mallee 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 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 Loddon Mallee Waste and Resource Recovery Group

Opinion I have audited the financial report of the Loddon Mallee Waste and Resource Recovery Group (the authority) which comprises the:

- 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
- declaration in the financial statements.

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 *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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.

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

Secretary's responsibilities for the financial report 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 *Financial Management Act 1994*, 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.

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.

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

DISCLOSURE INDEX

The 2021/2022 Annual Report for the Loddon Mallee WRRG is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate the identification of the authorities' compliance with statutory requirements.

| Portfolio Financial Management Compliance Framework (PFMCF) and Financial Reporting Directions | | |
|---|--|----|
| S 5.1.3 | Attestation for compliance with PFMCF | 72 |
| S 5.2.3 | Declaration in report of operations | 1 |
| Other requirements under PFMCF 5.2 | | |
| S 5.2.1 (a) | Compliance with Australian accounting standards and other authoritative pronouncements | 38 |

| Legislation | Requirement | Page |
|-----------------------------|--|-------------|
| Report of Operations | | |
| FRD 22I | Manner of establishment and Relevant Minister | 5 |
| FRD 22 I | Nature and range of services provided | 5 |
| FRD 22 I | Objectives, functions, powers and duties | 5 |
| FRD 22 I | Performance Reporting (non-financial) | 9 |
| FRD 22 I | Achievements | 9 |
| FRD 22 I | Operational Performance | 10 |
| FRD 22 I | Key initiatives | 9 |
| FRD 22 I | Five-year financial summary | 20 |
| FRD 22 I | Analysis of current year financials' | 21 |
| FRD 22 I | Significant changes in financial position | 22 |
| FRD 22 I | Significant changes or factors affecting performance | 22 |
| FRD 22 I | Subsequent Events | 22 |
| FRD 22 I | Organisational structure and corporate governance | 23 |
| FRD 22 I | Governing Board | 24 |
| FRD 22 I | Audit committee membership | 29 |
| FRD 22 I | Board committees | 29 |
| FRD 22 I | Occupational Health and Safety | 30 |
| FRD 22 I | Employment and conduct principles | 31 |
| FRD 22 I | Public sector values and employment principles | 31 |
| FRD 22 I | Workforce data | 31 |
| FRD 22 I | Workforce Inclusion Policy | 31 |
| FRD 25D | Local Jobs First | 32 |
| FRD 22 I | Government advertising expenditure | 32 |
| FRD 22 I | Consultancy expenditure | 32 |
| FRD 22 I | ICT expenditure | 33 |
| FRD12B | Major contracts | 33 |
| FRD 22 I | Freedom of Information | 34 |
| FRD 22 I | Building Act 1993 | 35 |
| FRD 22 I | Competitive Neutrality Policy | 35 |
| FRD 22 I | Public Interest Disclosures Act 2012 | 35 |
| FRD 24C | Office-based environmental impacts | 36 |
| FRD 22 I | Additional information available on request | 36 |

FRD - Financial Report Directions

| Legislation | Page |
|--------------------------------------|-------------|
| Environment Protection Act 2017 | 5 |
| Public Administration Act 2004 | 7 |
| Local Jobs First Act 2003 | 32 |
| Freedom of Information Act 1982 | 34 |
| Building Act 1993 | 35 |
| Public Interest Disclosures Act 2012 | 35 |
| Financial Management Act 1994 | 45 |