



Registration No: A 00 482 97P

# 2021/22 Annual Report

To be presented at the Annual General Meeting, 17 Nov 2022



## Report to Members for the year ended 30 June 2022

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#### **The Mount Alexander Sustainability Group**

Location: Level 1 / 30 Templeton Street, Castlemaine

Post: PO Box 1043, Castlemaine, 3450

Website: [masg.org.au](http://masg.org.au) Email: [info@masg.org.au](mailto:info@masg.org.au)



## 1. Committee of Management

Members of the committee as at 30 June 2022 were as follows:

Chair	Melissa Pollock
Deputy Chair	Lynne Waddington
Secretary	Gerard Egan
Treasurer	Maurice Molan
Committee member	Michael Lewin
Committee member	Deane Belfield
Committee member	William Grant
Committee member	Terence White

There have been some changes to the Committee during the 2021/22 year, as follows:

- At the November 2021 AGM, Mary Blain did not seek renomination - Mary joined the Committee in 2015 and has played a very active role in many programs. She was Chair of the organisation from 2016 to 2017 and then Deputy Chair until 2021.
- Also at the AGM, Lynne Waddington joined the Committee. She brings a wealth of experience to the role.
- In January 2022, Peter Brain resigned. He joined MASG in 2008, and then came onto COM in November 2014. He was elected Chair in February 2018. He has been the driving force behind the economics of reducing greenhouse gas emissions, and has created a practical plan under which the Mount Alexander Shire community could conceivably achieve zero net emissions within a decade. Peter has also provided valuable commercial guidance for the bioenergy project and has been a quiet and very generous financial supporter of the work of MASG.
- Melissa Pollock, a long-time friend and supporter of MASG, stepped into the role of Chair. She has been a MASG committee member since last year.

The Committee thanks Mary and Peter for their service over many years.

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## 2. Chair’s committee report

### Thanks to the Committee, staff and volunteers

The Chair wishes to thank the committee, staff and volunteers for their work throughout the year.

Each year the demands on the committee members and staff increase as we strive to be more effective in reaching the organisation’s environmental objectives. All committee members take an interest in all activities of MASG. By necessity however committee members must undertake a degree of specialisation in their activities. Table 1 outlines the main activity streams, the work stream leaders and the allocation of main activity by committee members for 2021-22. It goes without saying of course all committee members devote some time to all activities.

MASG activity streams and Committee Member interest – 2021-22							
	MASG operations (circular economy)	Wararack Initiative	Bioenergy (MAB)	Regenerative agriculture & Healthy Soils	Housing retrofit project	Admin and Finance	Comms
Lyn Waddington							L
Deane Belfield		Y	Y	L			Y
Peter Brain		Y	Y	Y			
Gerry Egan	Y	Y	Y	Y		L	
Bill Grant	Y		Y	L			Y
Melissa Pollock	Y			Y		Y	Y
Mick Lewin			L		Y		Y
Maurice Molan	Y				Y	L	
Terry White		L		Y	Y		Y

Note: L denotes stream leader. Y denotes very significant time spent in stream.

Note that, during 2021-22, MASG reached fifteen years of operation.

### Staff Report

For the most part staffing levels at MASG have remained the same as previous periods. However recently we have added two new members and lost two simultaneously. We are pleased to welcome Michaela Beckley who will work on our Healthy Soils Project, and Wendy Hopkins who will take on the Wash Against Waste Trailer and Party Hire. We are sad to see the departure of Sarah Myles our Development Office who finished in September 2022 and Jess Carter our Communications Officer who will finish in October 2022. Both Sarah and Jess will continue to volunteer help in their areas of expertise where necessary into the foreseeable future. Kieran Blain will continue in his valuable role as finance administrator.

The Committee of Management are extremely grateful to both Sarah and Jess for their dedication and application to their roles within MASG and wish them all the best in the direction their life takes them.

Michaela will work from the office situated on Level 1, Community House Building, where her job allows, but there are times when she will be required to work in the field. Wendy will work mostly from home in her role as it is most hands on. Welcome Michaela and Wendy.

All members of staff act as MASG’s human face and voice by answering the phone, responding to emails, talking to visitors and arranging interviews. We are very appreciative of their positive attitude and commitment throughout a very difficult year.

The Committee of Management has decided to go forward without formally replacing any of the exiting staff members. This decision was based on preserving finances and the desire to engage

members in a more meaningful way. Already we have a volunteer who is becoming actively engaged in taking on the E-News and Website. Welcome Sue.

## **MASG Operations: The circular economy**

MASG bread and butter activities essentially are those arising from the concept of the circular economy. The core concept of the circular economy is straight forward. In the ideal world of the circular economy, materials are kept in use as long as technically feasible by recovery, reuse and extension of the life of products. The recovered materials can be returned to nature to ensure material production productivity, thereby completing the circle, or used to produce products such as bioenergy. Alternatively, materials can be repaired, refurbished, recycled or reused in new products.

The core circular economy undertaken by MASG are:

- the Castlemaine Repair Café where residents can come together to extend the life of a wide variety of household items;
- fashion parade events to encourage the recycling of textile fabrics (sheets, towels, clothes, etc.) into products that can be used;
- engagement with the Fibre Workshop group using existing fibres;
- the operation of the Waste Against Waste Trailer, that supplies events with all the utensils they need that are then collected at the end of the event, washed and then reused;
- specialised waste collection initiatives, plastics, batteries, mobile phones, globes etc. for recycling;
- constant communication efforts to encourage waste reduction in the Shire;
- regenerative agriculture and the link between bioenergy and the regen ag program; and
- support for the Yes In My Backyard (YIMBY) community composting initiative.

Covid-19 restrictions both within MAS and also in Metropolitan Melbourne severely curtailed circular economy activities this year. In any case staff resources would have been significantly reallocated to support the community engagement effort associated with the Bioenergy project.

## **ZNET 2030 programs**

Because of the threat to our way of life not to mention the planet as a whole, MASG has been broadening its portfolio of activities over the last half dozen years to focus on CO2 emission reductions. As reflected in our branding, ZNET by 2030, this is the current core objective of the organisation and each year we apply our energies to increase the credibility of activities in terms of reaching that objective.

### **1. The Bioenergy Project**

This is primarily a renewable energy project, reducing our reliance on fossil fuel generation and removing waste from landfill. See separate description of this below.

### **2. The ZNET Retrofit for Vulnerability Communities project**

In March 2022 when MASG was awarded \$50,000 toward the cost of retrofitting ten local low-income houses to a zero net standard the long-term vision was clear: Looking back from 2030, we expect a viewer might say, *“since 2030, a clear pathway has been found for homeowners and renters to improve the energy efficiency and climate resilience of their homes. Owners are accessing long term low interest loans to have their homes retrofitted to a Zero Net standard while also increasing*

*household disposable income. They are paying their loans back by regular additions to their council rates. A similar pathway has been found for low-income rental households with renters and property owners sharing the costs of energy efficiency and climate resilience upgrades.*

Today, after 19 months of work we are still certain that this vision is correct, credible and achievable.

Here in Castlemaine, we have carried out detailed Residential Energy Efficiency assessments of 18 local low-income houses and we have the permission of ten householders to proceed with a retrofit of their houses which will make their houses warmer in winter and cooler in summer while cutting their energy costs.

This will be achieved by Insulating walls, floors and ceilings, sealing gaps in doors, windows, chimneys and vent, installing curtains and pelmets on windows, replacing gas heaters with split system reverse cycle air conditioners, replacing gas cookers with induction electric cooktops, replacing gas hot water heaters with electric heat pumps, and installing 5kw solar panels.

The task in 2023 will be to take the real-world costings of the pilot and establish a commercially viable retrofitting business in our Shire that can address the needs of hundreds of houses.

Some important steps in this journey are outlined below.

- **In May 2021**, MASG was informed of the success of its application to the Lord Mayors Charitable Foundation (LMCF) for funding to retrofit ten local houses to a zero-net standard. Sixteen months later, due to COVID and its construction industry consequences, the LMCF project timelines have been extended twice.
- **In July 2021** Lawyers employed by the project confirmed that Victorian Tenancy Law does not allow tenants and landlords to share the cost of retrofitting rental housing. This was a major disappointment, as retrofit cost sharing in Europe is the key enabling factor that explains why thousands of low-income rental householders in Europe and the UK have been able to rapidly retrofit their homes.
- **In August 2021**, our project partner Common Equity Housing Limited (CEHL) suggested that the Forest Creek Rental Housing Cooperative members in Castlemaine could share retrofitting costs by treating them as a membership fee. **In October 2021**, Forest Creek Cooperative members voted unanimously to have Residential Energy Assessments carried out on 18 houses, and to investigate the cooperative cost sharing option.
- **From November 2021 to March 2022**, the Residential Energy Assessments of 18 homes continued on a stop-start basis, working around the COVID restrictions.
- **In February 2022**, the Cooperative members decided to wind up their cooperative and opt for a simpler tenant landlord relationship with CEHL. This was a second setback for the project, as without the cooperative cost -sharing option, CEHL was uncertain whether it could afford to retrofit ten homes to a Zero-Net standard. To make matters worse, our second project partner Sustainable Australia Limited was unwilling to extend Environmental Upgrade Finance to non-rental owner-occupiers, which had been MASG's stated fallback position if Environmental Upgrade Finance for Renters was not an option.
- **In July 2022**, CEHL agreed to go ahead and retrofit ten Forest Creek homes to a zero-net standard (\$15,000 extra per home) on top of an existing \$6-\$10,000 of Victorian stimulus funding.

### 3. The regenerative agriculture project

Last year's annual report noted MASG's involvement in regenerative agriculture activities (Mt Alexander Regenerative Agriculture Group which now has over 70 registered members).

Regenerative agriculture is a group of farm practices which focuses on improvements in farm productivity from topsoil regeneration by a range of actions including composting, changed stock management and crop management practices, increasing biodiversity, improving water flows, strengthening the input to productivity from the ecosystem etc. An important by-product of this is

carbon sequestration and reduced consumption of fossil fuel (direct and indirect) on farm – scope 1,2, and 3, which in some cases can lead to ‘a farm being certified “carbon neutral” under the Federal Government’s Climate Active Carbon Neutral program.

Deane Belfield has long been a vocal advocate for regenerative agriculture and indeed practices what he preaches on his own farm (the first farm in Victoria registered (2015) under the CFI’s 2014 Soil Carbon Methodology). As noted last year Deane (as MARAG facilitator) received funding through NCCMA to work with local farmers in order to accelerate the take-up of regenerative agriculture practices within the local region. As part of this Deane has involved MASG in supporting the MARAG project and has developed an integrated 3-year Regen Ag curriculum.

MASG has now received a further \$100,000 grant to continue this work into a fourth year. This will fund activities that will assist local farmers to accelerate programs of soil carbon sequestration by the provision of information, finance assistance in terms of capital equipment, testing and other activities associated with fulfilling the requirements to be part of the federal government’s Direct Emission Reduction Authority carbon credit program which is an important funding source. The Project will also monitor the success of the participating farmers in achieving carbon sequestration which, in the medium term, will hopefully encourage other farmers to follow. This project has the potential to make a very significant contribution to the ZNET 2030 goal, as evidenced by recent follow-up soil carbon increases through the agency of a number of ‘eligible’ soil organic carbon building activities.

#### 4. Healthy soils project

MASG has secured a \$197,300.00 grant under the Department of Agriculture, Water and the Environment’s Smart Farms Small Grants Soil Extension program to promote more sustainable soil management by farmers in the region. The project will run until March 2024.

Commencing in March 2022, the project is working with existing and new grower networks and communities of interest to assist farmers to develop Soil Health, Nutrition & Carbon Management Plans. It will work with a core of at least 20 farmers to develop documented plans, as well as developing factsheets and planning tools. It will establish and report on case study demonstration sites and conduct field days. The work will promote practices such as reduced tillage, stubble retention, cover crops, green manures, plant species diversity, composting and compost use, and include baseline soil testing of key soil health parameters. It will provide landowners with guidance about field observations as well as laboratory testing that can be used to gauge soil health. The work will be strongly science-based and will work to promote greater understanding of soil health, the practices that promote soil health in cropping and grazing systems; and cost-effective ways farmers can gauge the health of their soils on a day-to-day basis.

The project is being conducted in partnership with Federation University and has engaged a part time MASG Soils and Sustainable Farming officer, Mikaela Beckley, who will assist implementation of both the Healthy Soils and Regenerative Agriculture projects (see above) as well as develop other projects promoting sustainable and low emissions/net zero emissions agriculture in the region. Committee of Management member, Bill Grant, who coordinated the funding bid is engaged as a Soils/Agronomy Research Fellow at Federation University and is leading the project.

The unseasonably wet season has delayed some of the project’s proposed soil sampling and field days, but the project has engaged local farmers and grower groups to attract participating farmers. Drafts of farmer information sheets and guides are being finalised and will be ‘road tested’ with at least ten farmers before being promoted more widely.

#### 5. The Wararack Initiatives and transition plan

MASG has contributed to the development of the Wararack Initiatives that grew out of a project Mount Alexander Shire Council undertook looking at how the Shire can achieve Zero Net Emissions (ZNET).

Wararack is a Dja Dja Wurrung word for 'silver wattle' – whose sap is symbolic of the connection that binds Community and Country. This recognises the role of community connections and the need to connect to Country in order to achieve a sustainable ZNET future. From the beginning it was recognised that achieving ZNET would require the cooperation and coordination of the whole community, along with the complementary objectives of increasing community resilience to that part of climate change that now cannot be stopped.

The Wararack Initiative transition plan (see: <https://wararack.org/resources/WararackInitiativesWeb.pdf>) sets a vision and outlines how we and the wider community can work to achieve ZNET by 2030.

MASG's current representatives on the Initiative's implementation group are Terry White and Bill Grant, who are contributing to the development of 'metrics', or ways in which progress and impact can be assessed against key performance indicators. MASG also contributes to elements of the Initiative related to renewable energy, efficiency and land carbon.

#### 6. The 100% Renewable Energy Campaign

This year the Mount Alexander Zero Net Emissions Working Group (MAZNWG) was awarded \$3000 from the Mount Alexander Shire Council Community Grants Program.

The money will be used to pay videographers to capture inspiring stories of local businesses who have pioneered "The Big Switch" from fossil fuels to 100% Renewable Energy. Called Seeing is Believing, the project will use video case studies to convince other shire businesses that the Big Switch to Renewables is not just possible, it is profitable.

Because MAZNWG is not incorporated, MASG agreed to auspice the MAZNWG application. Terry White, who is a member of both groups, will be responsible for project acquittal.

## The MASG Strategic Plan

From our January 2021 strategic planning session led by the former Mount Alexander Shire Mayor Bronwen Machin, MASG is tracking to implement the objectives outlined below by 2025;

- be recognised and trusted by businesses, households and relevant Federal, State and Local governments as being the go-to organisation on how to achieve zero net emissions;
- have young people involved and leading;
- be harnessing the labour and intellectual capacity of our community.

MASG should maintain its current focus on changes that can be made within and by our communities, rather than by large scale political lobbying for national systemic changes.

The organisation will achieve this by;

- Being clear about which activities it will be leading or supporting
- Being strategic in its fundraising, i.e., our planned activities drive our grant applications, not the availability of grants driving our activities.
- Being a catalyst to harness community, business and household support for activities that lead to zero net emissions
- Staying abreast of changes to legislation and technology so that opportunities for our communities can be exploited
- Research on Znet issues
- Broadly communicating what we do, and by strategically using successes to raise our profile
- Collaborating with organisations that have similar objectives
- Engaging with the various communities, using agreed community engagement processes
- Advocating to partners and agencies for change and collaborating with the changes.

## The Bioenergy Project

As has been the case for eight years, we have continued work on the establishment of a bioenergy facility in the Shire. This has required a large share of the Committee's time resources.

We had identified the opportunity back in 2015 and 2016 when we did a resource mapping of the region and concluded that Bioenergy was one possible renewable resource. The Pre-feasibility undertaken put some meat on this and raised the interest of the Mt Alexander Shire Council, Coliban Water and Don Smallgoods. A full Feasibility Study was then undertaken, and a Business Case developed and presented in 2018.

The legal platform for activity is Mount Alexander Bioenergy Pty. Ltd. (MAB) a wholly owned subsidiary of MASG. Mick Lewin is the chair of the board of directors (which consists of four members of the MASG board) with Deane Belfield as Project Manager but outside the Board. [We also note with regret that Peter Brain resigned as a director in January 2022. We thank him greatly for his valued contribution.]

The company, since the 2018 Financial Year, has embarked on putting into effect, the business opportunity identified in the Feasibility Study and Business Case. A Term Sheet was negotiated with Don Smallgoods (Don) which agreed the siting (adjacent to their facility), the terms under which feedstock would be supplied to the MAB facility, and also the energy supplied to Don by the facility. The facility will take waste from the region and convert the waste into gas and maybe steam for sale to the Don plant. This required approval from GWF, the Don parent company based in the UK.

A high-level design was completed, and feedstock supply secured via seeking memoranda of understandings. With the confidence of the signed Term Sheet, a launch to stakeholders, neighbours and the media, was completed through the second half of 2021. This involved public meetings and Listening Posts in the main street of Castlemaine. A Q&A document was maintained to record questions and to provide responses. This is available on our website [www.bioenergy.net.au](http://www.bioenergy.net.au). Other fact sheets and documents are also available through this web site.

We prepared a draft EPA Development application and draft Council Planning Permit application, with all the associated studies and reports. At this point we entered into a process to select a contractor/investor to Build/Own and Operate the facility. An Expression Of Interest process was completed and a short list derived. It was felt that the successful contractor/investor would want input to these regulatory approval applications due the specifics of their technology offering. These also incur very expensive fees beyond our immediately available funds.

In order to expedite the facility development, we have decided to seek approval only for the Anaerobic Digester (AD) stage of the project initially. This type of facility is widely used locally and worldwide and can therefore be expected to come into operation more quickly and start to reap the benefits to the community in 2023.

The Biomass (pyrolysis/gasification) plant will be approached afresh once the AD is in operation.

The value of the asset in the Balance Sheet has been determined at \$1,355k being actual costs of almost \$657k expended plus in-kind contributions calculated at over \$698k in all the phases required to reach this point (see table below).

<b>Project Summary</b>	<b>Cost</b>	<b>In Kind</b>	<b>Total</b>
<b>Feasibility Study/Business Case</b>			
Pre-feasibility	\$15,000	\$46,000	\$61,000
ARENA/NEJF Bid Preparation	\$20,000	\$47,000	\$67,000
Feasibility Study	\$333,584	\$121,489	\$455,073
<b>Pre-Construction</b>			
<i>Project Development YE 30 June 2019</i>	\$22,459	\$85,300	\$107,759
<i>Project Development YE 30 June 2020</i>	\$15,009	\$56,465	\$71,474
<i>Project Development YE 30 June 2021</i>	\$70,577	\$94,114	\$164,691
<i>Project Development YE 30 June 2022</i>	\$180,846	\$247,486	\$428,332
<b>Project Total as at 30 June 2022</b>	<b>\$657,475</b>	<b>\$697,854</b>	<b>\$1,355,329</b>

Cash contributions of \$657k were received from State and Federal government bodies, Philanthropic Foundations, the Mount Alexander Shire Council, Coliban Water, Don KRC and MASG. The in-kind contributions were made by staff of Don KRC, Mount Alexander Shire, Coliban Water and the staff and volunteers of MASG, including during the Pre-feasibility study. The value of the in-kind contributions has been calculated based on the work performed by highly qualified engineers, administrators and other experts in the bioenergy field.

Further cash contributions of more than \$400,000 and an estimated \$300,000 in-kind, will be required to reach Financial Close and negotiations with potential investors are continuing.

## Castlemaine Repair Café

The Repair Café is still going strong, although a lit little bit quieter. It is hard to say whether the quietness is the lingering effects of Covid or that so many things have been repaired! During the year there were featured repair days. The first of these was bicycle repairs, followed by darning and mending workshops. The darning workshop was so well attended, it identified a need for this service, so will be repeated regularly. This sparked the mending circle which continue as part of the Repair Café services.

The Repair Café would like to take this opportunity to thank the generosity in spirit and donations of all the participants and attendees, it has been gratefully accepted and appreciated. Looking forward to the forthcoming year.

Sincere thanks to Chris Hooper for her perseverance with this great community initiative in difficult times.

## Conclusion

MASG is still kicking goals in its effort to achieve zero net emissions and aid Mount Alexander Shire in achieving its ZNET 2030 aims. All the projects listed above contribute in some way to reducing emissions and informing the community of the benefits of changing their use habits.

All members of the committee are committed to the organisation and work very hard towards achieving the vision(s) of the members. Those committee members that drive particular projects do so with an amazing amount of passion and enthusiasm, which is to be commended. MASG is a great community organisation with many worthwhile projects on the go, all of which can only help in our efforts to make our shire a better place in the face of the current climate situation.

### **3. Financial Governance**

#### **Managing potential conflicts of interest**

MASG is an incorporated association with a volunteer Committee of Management and, as at 30 June 2022, three part-time staff (totalling approximately half a full-time person). Committee members are not paid for their time on the Committee but may be paid for other services in specific cases.

The Committee acknowledges the potential for a conflict of interest in such cases and recognises the need to properly manage this. During 2021/22, the following potential conflict of interest issues were identified and managed.

#### **MOUNT ALEXANDER SUSTAINABILITY GROUP INC (MASG)**

##### **Management of Regen Ag program – ECO2Sys (Deane Belfield)**

This project was initiated by Deane Belfield and then brought into MASG as it aligns with MASG objectives. The project has been funded in two parts – firstly by NCCMA, and secondly by a donation from DON facilitated by a court ruling that DON contribute to this project as recompense for a breach of its EPA licence.

##### **1. NCCMA**

The NCCMA project has run for three years already and will be complete by late 2022. The project funder (NCCMA) granted the funds in the expectation that Deane will manage the project. The Committee agreed that Deane run this project (and receive payment) without competitive quotes from the market, on the basis that he is an acknowledged expert in the field and the funder has granted funds in the expectation of his involvement. During 2021/22, MASG paid Deane's company, ECO2Sys, \$8,953 for this. The Committee recognises that this payment does not cover all the effort and time that Deane has committed to this program.

##### **2. DON**

The DON project will commence late in 2022 as a continuation of the NCCMA project. The Committee set up a subcommittee to manage this on its behalf. The Subcommittee members are three Committee members (Melissa Pollock, Terry White and Gerry Egan) and three industry people (Tim Read, Jason McAinch and Katie Finlay). The project management role was advertised, and Deane Belfield was the only applicant. As he is very well-credentialed to manage this, the Committee accepted this offer in August 2022. The contract is for a total of \$24,400 over a period of 21 months. No payment was made under this contract in 2021/22.

##### **Management of Healthy Soils program – Bill Grant**

The Soil Health, Nutrition and Carbon management project is being funded by the Commonwealth of Australia through the Department of Agriculture, Water and the Environment, under the Smart Farms, Small Farms grant program. MASG has been awarded \$197,300 under this program.

The project manager is COM member Bill Grant, who is conducting the work as a Research Fellow at Federation University. COM decided in January 2022 that he is the best person to manage the project because he initiated and submitted the grant application, his expertise has been important in obtaining the grant, and he is nominated in the grant offer. The contract is for a total of \$119,850 over a period of about two years and will be paid to Federation University. Bill's wage at Federation University is funded separately, and he receives no additional stipend or payment for conducting the work. Bill's employment as a Research Fellow at the university allows him to commit more time to the project than was initially anticipated and expand the research component of the work. No payment was made under this contract in 2021/22.

## **MOUNT ALEXANDER BIOENERGY PTY LTD (MAB)**

MASG is the sole shareholder of MAB.

### **Payments to Chairperson (Mick Lewin)**

In March 2020, Directors resolved to make a payment of \$1200 per month to Mick Lewin as Chair in partial recognition of the large amount of work he is doing, and MASG, as shareholder, agreed. Payments were made from January 2021. Directors recognise that this payment does not cover all the effort and time that Mick has committed to this program. During 2021/22, MAB paid \$14,438 for this.

In September 2022, directors resolved to make a further payment of \$50,000 to Mick if and when the bioenergy project reaches financial close, provided that MAB receives investor funds to allow such a payment.

This decision was taken because Mick has done substantial work over the four years of the preconstruction phase and also prior to that. This work has been vital for keeping the project going – the project would have foundered without it. The project will, if it reaches financial close, bring enduring value to MASG. It is appropriate to financially reward Mick's work, if possible, with the payment amount calculated on the basis that 50% of his work be regarded as voluntary.

The MASG Committee, as shareholder, agreed to this payment.

### **Contract for preconstruction services with ECO2Sys (Deane Belfield)**

In 2018, Directors resolved that Deane was vital to this project due to his expertise and his industry connections, and a Pre-construction Consulting Agreement with Deane's company, Eco2Sys, was executed in 2018.

This Agreement was revisited in April 2022 and revised in May 2022 to recognise that:

- External factors have prevented the achievement of a number of milestones (including financial close), and have required significant extra work on other achieved milestones;
- MAB has paid ECO2Sys only \$76k out of the possible contract sum of \$190k; and
- ECO2Sys has expended effort valued well in excess of the total paid.

In recognition of that situation, MAB agreed to pay ECO2Sys a sum of \$142,000 (plus GST) subject to the condition that payment will only be paid if, and when, funding becomes available that would permit such payment.

In addition, ongoing work was changed to be on a time basis.

During 2021/22, MAB paid \$40,850 to ECO2Sys.

## **Bioenergy structure**

MASG is the sole shareholder of a special purpose vehicle (a separate legal entity), Mount Alexander Bioenergy Pty Ltd ("Bioenergy"). The purpose of this company is to develop a project to obtain energy from waste.

There were two changes to directors of Bioenergy during the year, being the resignation of Ian Jones (22 Sep 2021) and Peter Brain (30 Jan 2022). Currently the directors are Michael Lewin (chair), Bill Grant, Maurie Molan and Gerry Egan.

All Bioenergy Board members are also MASG Committee of Management members but not vice versa. We believe MASG interests are secured in this arrangement.

## 4. Treasurer's report for MASG

Notes to the Financial Accounts for the Year ended 30 June 2022

### **MOUNT ALEXANDER SUSTAINABILITY GROUP INC**

**Registration No: A 00 482 97P**

#### **1. Basis of Preparation**

This financial report is a special purpose report (prepared for use by members) as the Committee of Management has determined that the entity is not a reporting entity.

The financial accounts have been prepared in accordance with Australian Accounting Standards and have been prepared on an accrual basis.

#### **2. Income Tax**

Mount Alexander Sustainability Group Inc is a non-profit entity and has been granted exemption from income tax as a charitable institution under Sec 50-5 of the Income Tax Assessment Act 1997. For the 2022 Financial Year, the organisation remains entitled as an endorsed organisation, as the status of the charity has not changed.

#### **3. Goods & Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST). Receivables and payables are stated inclusive of GST.

### **Statement by Members of the Committee**

MOUNT ALEXANDER SUSTAINABILITY GROUP INC.

Registration No; A 00 482 97P

The committee has determined that the incorporated body is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to these financial statements.

In the opinion of the committee, the Profit & Loss Account and Balance Sheet and notes to the financial statements -

1. Present fairly the financial position of **Mount Alexander Sustainability Group Inc** as at 30 June 2022 and its performance for the year ended on that date; and
2. As at 30 June 2022 there are reasonable grounds to believe that the incorporated body will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by;



**Melissa Pollock, Chair**



**Maurice Leslie Molan, Treasurer**

**26 Oct 2022**

# Treasurer’s Report for the year ended 30 June 2022

Mount Alexander Sustainability Group Inc.  
Registration No: A 00 482 97P

## Financial Performance as at 30 June 2022

The 2022 Financial Statements have been posted on the web site (as part of this annual report) and can be accessed by all members.

An audit of the Financial Statements has been done by Daniela Arceri, Public Accountant, IPA. The report is attached in section 8.

### Comment on Profit and Loss Account

A summary of total Income and Expenses and Net Position is set out in the table below.

Income & expenses	2022	2021	2020	2019
Income from all activities	\$45,227	\$84,817	\$68,662	\$72,126
Expenses from all activities	-\$57,910	-\$78,265	-\$85,513	-\$72,791
Profit (Loss)	-\$12,674	\$6,553	-\$16,851	-\$665

Total Income for 2022 was \$40k less than the previous year, due predominantly to the ending of federal and state government assistance related to COVID.

Income for administration services provided to our subsidiary company Mount Alexander Bioenergy Pty Ltd increased by about \$3k to almost \$25k. However, receipt of this money has been deferred until financial close or further funding of the project is received. This is regarded by the Committee as likely but in the meantime has been recorded as a Non-Current Asset.

A grant of \$10k was received from a donor and this was used to support the bioenergy project. Other than this, donations were significantly down for the year because last year’s donations were bolstered by one very generous donor.

The Regenerative Agriculture, Healthy Soils, Recycling Advocacy, Wash Against Waste Trailer and Repair Cafe made small contributions.

Overall costs were down by \$20k. This reduction was made up of reduced staff costs (down by \$24k), office costs (down by \$2.5k), and consultants (down by \$2k), counterbalanced by the support (\$9k) given to Bioenergy.

A loss of nearly \$13k was achieved for the year compared to a profit of \$6k the previous year.

Full details of Income and Expenses are set out in the Profit and Loss Statement contained in the attached Financial Accounts.

MASG receives significant grants, sometimes in the hundreds of thousands of dollars, to administer projects to achieve the organisation's goals. However, these tied grants provide very little income to MASG for administration. The Profit and Loss Statement excludes these grants. These amounts are tracked through the balance sheet and the numbers for the significant grants are as follows:

<b>MASG Projects</b>	<b>Item</b>	<b>Paid</b>	<b>Received</b>	<b>Balance Sheet</b>	<b>Income to MASG P&amp;L</b>
Regen Ag	Balance 30 Jun 2020			\$26,705	
	NCCMA 2020/21		\$25,000		
	Paid 2020/21	\$37,534			\$1,614
	Balance 30 Jun 2021			\$14,171	
	NCCMA 2021/22		\$32,000		
	DON 2021/22		\$100,000		
	Paid 2021/2022	\$17,926			\$1,680
	Balance 30 Jun 2022			\$128,245	
	Healthy Soils	Balance 30 Jun 2021			\$0
Grant 2021/22			\$123,750		
Paid 2021/2022		\$2,000			\$2,000
Balance 30 Jun 2022			\$121,750		
Recycling advocacy	Balance 30 Jun 2020			\$0	
	Donation 2020/21		\$25,000		
	Paid 2020/21	\$4,813			\$1,724
	Balance 30 Jun 2021			\$20,187	
	Paid 2021/2022	\$6,238			\$722
	Balance 30 Jun 2022			\$13,948	
Housing Retrofit	Balance 30 Jun 2020			\$0	
	Grant 2020/21		\$50,000		
	Paid 2020/21	\$0			\$0
	Balance 30 Jun 2021			\$50,000	
	Paid 2021/2022	\$9,060			
	Balance 30 Jun 2022			\$40,940	\$0

A Treasurer's Report and a copy of the financial accounts for Bioenergy are also included later in this report.

## Comment on Balance Sheet

Full details of the Assets and Liabilities are contained in the attached Financial Accounts. A summary of the position is set out below.

	2022	2021	2020	2019
<b>Assets</b>				
Cash at hand	\$332,405	\$136,046	\$46,609	\$65,423
Less Funds in Trust for Specific Projects	-\$306,744	-\$90,358	-\$14,852	-\$6,000
Untied Cash at Hand	\$25,661	\$45,688	\$31,757	\$59,423
Other Current Assets	2	\$14,598	\$19,592	\$435
Non-Current Asset MAB – refer note	\$27,362			
Office Equipment and WAW Trailer	\$35,631	\$40,515	\$46,287	\$51,612
<b>Total Assets</b>	<b>\$88,656</b>	<b>\$100,801</b>	<b>\$97,636</b>	<b>\$111,470</b>
<b>Liabilities</b>				
Creditors/ATO/Provisions	\$190	-\$339	\$3,048	\$31
<b>Net Assets</b>	<b>\$88,466</b>	<b>\$101,140</b>	<b>\$94,588</b>	<b>\$111,439</b>

The Operating Loss of almost \$13k for the year decreased Net Assets to \$88k, of which \$25k is untied cash. MASG has provided administration services over the past eight years to the Bioenergy project which has reached a stage of requiring further funding to achieve financial close. MASG has raised an invoice for \$27,362 including GST for services provided to MAB during the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> September 2021. The Committee has made the decision not to seek payment until further funding is obtained by its wholly owned subsidiary.

The investment in the subsidiary, Mount Alexander Bioenergy Pty Ltd, is represented in the balance sheet at its face value of \$1. The value of the Bioenergy Project in Mount Alexander Bioenergy Pty Ltd has been separately valued by the company directors at \$1.355M, which represents the actual costs of the project to date, including funds provided by Federal and State Governments, Dons Smallgoods, Coliban Water, McKinnon Foundation, MASG, plus the value of considerable in-kind contributions. The value has been increased by cash and in-kind contributions amounting to \$428k, by the aforementioned parties over the last financial year. However, as a matter of conservative accounting practice, the MASG committee has chosen not to revalue the asset in the MASG financial accounts.



**Maurice Molan,**  
**Treasurer, Mount Alexander Sustainability Group Inc**

**26 Oct 2022**

## 5. Treasurer's report for Mount Alexander Bioenergy

Mount Alexander Bioenergy Pty Ltd

Registration No: A 00 482 97P

Treasurer's Report for the year ended 30 June 2022

Financial Performance as at 30 June 2022

The 2022 Financial Statements have been posted on the web site (as part of this annual report) and can be accessed by all members. This report is being audited by Sayers and Partners.

### Comment on Profit and Loss Account

Full details of Income and Expenses are set out in the Profit and Loss Account contained in the attached Financial Accounts. A summary of total Income and Expenses and Net Position is set out in the table below.

Income & expenses	2022	2021	2020	2019
Income from all activities	\$123,776	\$90,019	\$26,032	\$20,842
Expenses from all activities	\$155,449	\$70,576	\$14,412	\$20,882
Profit (Loss)	-\$31,674	\$19,443	\$11,620	-\$40

Most of the income this year was grants to be used to advance the project. Expenses this year were mainly for administrative and professional support provided by MASG, project management by ECO2Sys, and technical consultants.

### Comment on Balance Sheet

Full details of the Assets and Liabilities are contained in the attached Financial Accounts. A summary of the position is set out below.

Assets	2022	2021	2020	2019
Cash at hand	\$25,718	\$7,626	\$3,159	\$5,081
Intangible Asset Bioenergy Project Development	\$1,355,329	\$927,000	\$762,300	\$690,800
Other Current Assets	\$3,812	\$39,068	\$11,000	\$0
<b>Total Assets</b>	<b>\$1,395,859</b>	<b>\$973,694</b>	<b>\$776,459</b>	<b>\$695,881</b>
<b>Liabilities</b>				
Creditors/ATO/Provisions	\$13,795	\$15,647	\$2,554	\$5,097
Deferred Creditor (MASG)	\$27,632	\$0	\$0	\$0
<b>Net Assets</b>	<b>\$1,354,702</b>	<b>\$958,047</b>	<b>\$773,905</b>	<b>\$690,784</b>

The significant change to the Balance Sheet is increasing the value of the Intangible Asset by \$428,329 to \$1,355,329. This increase represents the value of the preconstruction work done during the year by contract and by in-kind effort from MASG and Don. The In-kind contribution has been calculated based on the time donated and work performed without charge by highly qualified Engineers and other experts.

**Notes: Contingent Liabilities**

1. Two parties have been very significantly involved in progressing the bioenergy project over the past eight years but because of financial constraints they have not been commercially rewarded. The company has reached an agreement whereby additional reward for time expended will only be payable if financial close is reached with a financier unless other funding becomes available.

The additional amounts and parties involved are set out below:

a. Eco2Sys Australia Pty Ltd Project Manager /Consultant \$142,000

b. Michael Lewin Chair of Board and Project Director \$ 50,000

2. Don Smallgoods has advanced a total of \$100,000 to the project to achieve certain milestones on the basis that this money is to be refunded to them when financial close is reached with a financier.

3. MASG has also provided services over the course of the project and has received significant funds. During the period 1 October 2021 to 30 June 2022 services in the amount of \$27,038 have been provided. An invoice for these services will only be raised if a source of funding is received on financial close, or earlier if other funding becomes available.

**Note: Deferred Liabilities**

MASG has provided services to the project as a principal source of revenue. An amount of \$24,875 (plus GST) has been invoiced to MAB for services for the quarter ending 30 September 2021. The MASG Committee of Management has determined that this liability will be regarded as a long-term liability of MAB only to be paid in the event of successful financial close.



**Maurice Molan,  
Treasurer, Mount Alexander Bioenergy Pty Ltd**

**26 Oct 2022**

## 6. MASG Accounts

<b>Mount Alexander Sustainability Group</b>			
<b>Balance Sheet as at 30 Jun 2022</b>			
	<b>2022</b>	<b>2021</b>	<b>Variance</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank Australia	\$175,138.13	\$107,035.08	\$68,103.05
Bank Australia Regen Ag	\$142,922.01	\$15,683.54	\$127,238.47
Bendigo Bank Account	\$4,145.43	\$3,916.45	\$228.98
Bendigo Bank Public Fund	\$10,055.52	\$9,284.62	\$770.90
Petty Cash	\$143.69	\$126.29	\$17.40
Accounts receivable	\$0.00	\$14,595.63	-\$14,595.63
	<b>\$332,404.78</b>	<b>\$150,641.61</b>	<b>\$181,763.17</b>
<b>Investments</b>			
MASG Renewables P1	\$1.00	\$1.00	\$0.00
MASG Renew P1 Investment Trust	\$1.00	\$1.00	\$0.00
	<b>\$2.00</b>	<b>\$2.00</b>	<b>\$0.00</b>
<b>Fixed Assets</b>			
Office Equipment at Cost	\$5,311.10	\$5,311.10	\$0.00
Office Equipment Accum Dep	-\$5,311.10	-\$5,311.10	\$0.00
New Generation Trailer	\$53,245.17	\$53,245.17	\$0.00
New Gen Trailer Accum Dep	-\$17,614.17	-\$12,730.17	-\$4,884.00
	<b>\$35,631.00</b>	<b>\$40,515.00</b>	<b>-\$4,884.00</b>
<b>Non-Current Assets</b>			
Accounts receivable	\$27,362.50	\$0.00	\$27,362.50
	<b>\$27,362.50</b>	<b>\$0.00</b>	<b>\$27,362.50</b>
<b>Total Assets</b>	<b>\$395,400.28</b>	<b>\$191,158.61</b>	<b>\$204,241.67</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Grants MAS Council	\$1,860.00	\$3,000.00	-\$1,140.00
Regenerative Agriculture	\$128,245.45	\$14,170.82	\$114,074.63
Recycling Grant	\$13,948.27	\$20,186.71	-\$6,238.44
Growing the Growers	\$0.00	\$3,000.00	-\$3,000.00
House Retrofit Lord Mayor	\$40,940.00	\$50,000.00	-\$9,060.00
Healthy Soils	\$121,750.00	\$0.00	\$121,750.00
GST Collected	\$4,144.40	\$1,658.79	\$2,485.61
GST Paid	-\$4,757.47	-\$1,989.88	-\$2,767.59
PAYG withholdings payable	\$803.00	-\$108.00	\$911.00
Superannuation payable	\$0.00	\$99.72	-\$99.72
	<b>\$306,933.65</b>	<b>\$90,018.16</b>	<b>\$216,915.49</b>
<b>Total Liability</b>	<b>\$306,933.65</b>	<b>\$90,018.16</b>	<b>\$216,915.49</b>
<b>Net Assets</b>	<b>\$88,466.63</b>	<b>\$101,140.45</b>	<b>-\$12,673.82</b>
<b>EQUITY</b>			
Retained Earnings	\$101,140.45	\$94,587.92	\$6,552.53
Current year earnings	-\$12,673.82	\$6,552.53	-\$19,226.35
<b>Total Equity</b>	<b>\$88,466.63</b>	<b>\$101,140.45</b>	<b>-\$12,673.82</b>

<b>Mount Alexander Sustainability Group Inc</b>			
<b>Profit &amp; Loss Account For Year Ended 30 June 2022</b>			
	<b>2022</b>	<b>2021</b>	<b>Variance \$</b>
<b>Income</b>			
Public Fund Donations	\$10,740.00	\$1,329.68	\$9,410.32
Donations Other	\$245.00	\$10,362.90	-\$10,117.90
Regenerative Agriculture	\$1,680.00	\$1,614.00	\$66.00
Commonwealth Job Keeper	\$0.00	\$39,300.00	-\$39,300.00
Commonwealth Incentive	\$0.00	\$5,000.00	-\$5,000.00
Recycling Project	\$721.60	\$1,723.97	-\$1,002.37
Healthy Soils	\$2,000.00	\$0.00	\$2,000.00
Auspice	\$272.73	\$591.27	-\$318.54
Mt Alexander Bioenergy Pty Ltd	\$24,875.00	\$21,881.25	\$2,993.75
Repair Cafe	\$0.00	\$153.65	-\$153.65
Party Hre	\$187.28	\$28.64	\$158.64
Memberships	\$3,536.42	\$2,754.62	\$781.80
Interest Received	\$251.64	\$77.40	\$174.24
WAWT Trailer Hire	\$727.28	\$0.00	\$727.28
<b>Total Income</b>	<b>\$45,236.95</b>	<b>\$84,817.38</b>	<b>-\$39,580.43</b>
<b>Expenses</b>			
Accounting Legal	\$985.39	\$870.10	\$115.29
Audit Fees	\$500.00	\$500.00	\$0.00
Advertising Promotion	\$0.00	\$235.18	-\$235.18
Bank Charges	\$6.10	\$0.00	\$6.10
Merchant Fees	\$232.12	\$236.63	-\$4.51
Depreciation	\$4,884.00	\$5,772.00	-\$888.00
RentElectricityWater	\$1,200.00	\$3,527.90	-\$2,327.90
Web Hosting	\$300.00	\$180.00	\$120.00
Repair Cafe Expenses	\$118.18	\$118.18	\$0.00
Party Hire Expenses	\$82.40	\$0.00	\$82.40
Consultants	\$64.03	\$2,100.00	-\$2,035.97
Office Supplies	\$102.14	\$314.26	-\$212.12
Photocopying	\$21.00	\$0.00	\$21.00
Software	\$117.27	\$0.00	\$117.27
Postage	\$135.72	\$123.64	\$12.08
PL and Product Insurance	\$545.45	\$509.09	\$36.36
Volunteers Accident Insurance	\$654.55	\$654.55	\$0.00
WorkCover Insurance	\$213.75	\$204.25	\$9.50
Oxfam donation - Bendigo Bank	\$0.13	\$0.15	-\$0.02
WAW New Trailer	\$202.98	\$0.00	\$202.98
WAW Trailer Registration	\$55.82	\$55.00	\$0.82
Internet Access and Phone	\$13.64	\$413.03	-\$399.39
Grants paid to Mt.Alexander Bioenergy Pty Ltd	\$9,090.91	\$0.00	\$9,090.91
Superannuation expense	\$3,112.00	\$2,904.33	\$207.67
Wages & salaries	\$35,273.00	\$59,546.56	-\$24,273.56
<b>Total Expense</b>	<b>\$57,910.58</b>	<b>\$78,264.85</b>	<b>-\$20,354.27</b>
<b>Operating Profit</b>	<b>-\$12,673.63</b>	<b>\$6,552.53</b>	<b>-\$19,226.16</b>

## 7. Bioenergy Accounts

<b>Mount Alexander Bioenergy Pty Ltd</b>			
Balance Sheet As At 30 June 2022			
	<b>2022</b>	<b>2021</b>	<b>Variance \$</b>
<b>Current Assets</b>			
Bank Australia 12100320	\$25,718.00	\$7,626.00	\$18,092.00
BAS Refundable	\$2,818.00		\$2,818.00
Trade Debtors	\$11,000.00	\$38,500.00	-\$27,500.00
<b>Total Current Assets</b>	<b>\$39,536.00</b>	<b>\$46,126.00</b>	<b>-\$6,590.00</b>
<b>Intangible Assets</b>			
Bioenergy Project Development At Directors Valuation	\$1,355,329.00	\$927,000.00	\$428,329.00
<b>Total Intangible Assets</b>	<b>\$1,355,329.00</b>	<b>\$927,000.00</b>	<b>\$428,329.00</b>
PAYG Tax Installment	\$994.00	\$568.00	\$426.00
<b>Total Asset</b>	<b>\$1,395,859.00</b>	<b>\$973,694.00</b>	<b>\$422,165.00</b>
<b>Current Liabilities</b>			
BAS Payable	\$0.00	\$426.00	-\$426.00
GST Paid	\$0.00	\$5,500.00	-\$5,500.00
PAYG Withholding Payable	\$0.00	-\$4,875.00	\$4,875.00
Trade Creditors	\$13,795.00	\$14,596.00	-\$801.00
<b>Total Current Liabilities</b>	<b>\$13,795.00</b>	<b>\$15,647.00</b>	<b>-\$1,852.00</b>
<b>Deferred Liabilities</b>			
Creditor Mount Alexander Sustainability Group Inc	\$27,362.00	\$0.00	\$27,362.00
<b>Total Liabilities</b>	<b>\$41,157.00</b>	<b>\$15,647.00</b>	<b>\$25,510.00</b>
<b>Net Assets</b>	<b>\$1,354,702.00</b>	<b>\$958,047.00</b>	<b>\$396,655.00</b>
<b>Equity</b>			
Issued Capital	\$1.00	\$1.00	\$0.00
Current Year Surplus (Deficit)	-\$31,674.00	\$19,443.00	-\$51,117.00
Retained Earnings	\$31,046.00	\$11,603.00	\$19,443.00
Increased Valuation Bioenergy For Year	\$428,329.00	\$164,700.00	\$263,629.00
Valuation Bioenergy Project At 1/7/2021	\$927,000.00	\$762,300.00	\$164,700.00
<b>Total Equity</b>	<b>\$1,354,702.00</b>	<b>\$958,047.00</b>	<b>\$396,655.00</b>

# Mount Alexander Bioenergy Pty Ltd

Profit & Loss Account For Year Ended 30 June 2022

	2022	2021	Variance \$
<b>Income</b>			
Don Smallgoods	\$45,000.00	\$45,000.00	\$0.00
Donation Gift Income	\$10,000.00	\$0.01	\$9,999.99
Interest Received	\$36.78	\$19.34	\$17.44
Loddon Mallee Waste and Resource Recovery	\$18,739.00	\$0.00	\$18,739.00
Sustainability Victoria	\$50,000.00	\$45,000.00	\$5,000.00
<b>Total Income</b>	<b>\$123,775.78</b>	<b>\$90,019.35</b>	<b>\$33,756.43</b>
<b>Less Expenses</b>			
ASIC	\$552.00	\$546.00	\$6.00
Admin Mt.Alexander Sustainability Group Inc	\$24,875.00	\$21,881.25	\$2,993.75
Advertising & Marketing	\$222.14	\$93.55	\$128.59
Audit Fees	\$1,500.00	\$0.00	\$1,500.00
Consultant - BCS Consulting	\$6,000.00	\$0.00	\$6,000.00
Consultant - Eco2Sys Australia Pty Ltd	\$40,850.00	\$35,000.00	\$5,850.00
Consultant - Inoplex Pty Ltd	\$59,170.01	\$0.00	\$59,170.01
Consultant - Quantum Traffic	\$1,750.00	\$0.00	\$1,750.00
Consultant - Statewide	\$875.00	\$0.00	\$875.00
Consultant - Foreman & Stafford	\$500.00	\$0.00	\$500.00
General Expenses	\$194.00	\$0.00	\$194.00
Directots Insurance	\$0.00	\$1,640.00	-\$1,640.00
Professional Indemnity Insurance	\$2,240.00	\$2,240.00	\$0.00
Superannuation -Chair	\$1,312.56	\$623.46	\$689.10
Salary - Chair	\$13,125.00	\$6,562.50	\$6,562.50
Website Design	\$0.00	\$1,800.00	-\$1,800.00
Website Hosting	\$190.00	\$190.00	\$0.00
Work Cover Premiums	\$226.45	\$0.00	\$226.45
<b>Total Expense</b>	<b>\$153,582.16</b>	<b>\$70,576.76</b>	<b>\$83,005.40</b>
<b>Operating Profit</b>	<b>-\$29,806.67</b>	<b>\$19,442.89</b>	<b>-\$49,249.56</b>
Less Under Provision For Income Tax	\$1,867.12	\$0.00	\$1,867.12
<b>Net Profit (Loss)</b>	<b>-\$31,673.79</b>	<b>\$19,442.89</b>	<b>-\$51,116.68</b>

## 8. Audit report

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# Returns Express

*Public Accountant/Registered Tax Agent*

28 Lyttleton Street

CASTLEMAINE VIC 3450

Telephone (03) 54724 694

Facsimile (03) 54705 767

Email [daniela@returnsexpress.com.au](mailto:daniela@returnsexpress.com.au)

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### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MOUNT ALEXANDER SUSTAINABILITY GROUP

#### **Report on the MASG Inc Public Fund Account**

I have audited the MASG Inc Public Fund Account being a requirement of MASG Inc, for the year ended 30<sup>th</sup> of June 2022.

#### **Committee's Responsibility for Accounts**

The committee of the MASG Inc are responsible for the preparation and maintenance of the Accounts and it gives a true and fair view and meets the requirements of the Associations Incorporation Reform Act 2012, and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal controls to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the operation of the accounts based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the members. I conducted the audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial account. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial account that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial account.

The financial accounts have been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporation Reform Act 2012. I disclaim any assumption or responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

**Independence**

In conducting the audit, I have complied with the independence requirements of the Australian professional ethical pronouncements.

**Qualified Auditors Opinion**

In my opinion, the financial accounts of MASG Inc Public Fund are in accordance with the Associations Incorporation Reform Act 2012, including:

- a) giving a true and fair view of the association's income and expenditure as at 30<sup>th</sup> June 2022 and of its performance for the year ended on that date; and,
- b) complying with Australian Accounting Standards and complying with the Associations Incorporation Reform Act 2012.



DANIELA ARCERI  
B.Bus.(Acc.) PNA

18th October 2022