

Annual review 2017–18

Our Vision

A legal system that delivers environmental justice and ecological sustainability, safeguards nature, and protects the rights of all Australians to a healthy environment.

Our Mission

We use our legal expertise to be a powerful force for change, to empower communities to protect the environment, and to achieve a better legal system that delivers justice to people and the planet.

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Photo credits: Dick Knight (page 10), Jamie Davies (page 11), Max Philips (page 13)

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Chair/CEO report

It is now almost five years since we decided to ‘relaunch’ the Environment Defenders Office Victoria as Environmental Justice Australia.

It has been a rewarding and successful journey, as this report of our work for 2017–2018 makes clear. We continue to grow and have never been busier or, we hope, more effective at advocating for our environment.

In 2014, we saw the need for a public interest legal organisation that focused on making the case for meaningful change.

As a specialist community legal centre, we had provided important services and access to justice to the Victorian community over many years. But the times demanded a sharper focus on our impact. How could we achieve change on the important issues – defending nature, arresting climate change and protecting the community from pollution?

In this report you can read about work that the team at EJA has been doing challenging the pollution impacts of coal-fired power stations, pursuing important litigation to protect threatened species, working with communities to develop innovative new river laws, challenging the financing of fossil fuels, and building the case, with other conservation groups, for the next generation of national environmental laws.

While the 60L Green Building in Melbourne is still very much our home base, the team is now increasingly working on issues around the country.

It is thanks to you, our supporters, that we can do this work. It’s also thanks to you that we delivered a modest surplus, following generous responses to our requests for support.

Our donor-driven and impact-focused approach to our law reform and advocacy is on public display. Less visible is the work that we do behind the scenes to develop the capacity to support our growing organisation. Our board and staff team have worked hard to improve our governance, systems and processes. We are confident that our focus on strategic oversight and reporting will bear fruit through greater effectiveness, engagement and accountability to you, our supporters.

The need for public interest-focused environmental laws and a powerful voice for the environment has never seemed so urgent.

We thank everyone who has contributed to Environmental Justice Australia – our clients and collaborators across environment groups large and small, funders and donors, the staff team, board members and other volunteers – for another successful year. We look forward to hearing from you in the year ahead!

Megan Utter, Chairperson
Brendan Sydes, Chief Executive Officer

Nicola Rivers (acting CEO February – May 2018) in East Gippsland’s old-growth forest



Climate

Challenging government funding of Adani

The Federal Government has been exploring avenues to fund the Adani development. We have closely scrutinised the agencies believed to be considering funding proposals, the Northern Australia Infrastructure Facility (NAIF) and Export Finance and Insurance Corporation (EFIC).

We published a report, *The real risks of EFIC support for Adani*, finding that if Australia's EFIC were to fund Adani's controversial Carmichael coal mine, it would expose EFIC's directors to significant legal and political risk.

Subsequently EFIC told Senate Estimates that the relevant transaction was not proceeding 'at the moment'. However, neither EFIC nor the then Federal Trade Minister, Steven Ciobo, ruled out supporting Adani or its associates for the Carmichael project.

“Like NAIF before it, in our view, EFIC’s directors would fall short of duties of care and diligence if they agreed to finance Adani or its business associates.”

- The real risks of EFIC support for Adani

Our work on NAIF built on our substantial efforts in the previous year. Our lawyers advised conservation organisations that recent legal developments meant NAIF support for Adani's coal project – which is incompatible with keeping global warming below 2°C – would put the NAIF directors in conflict with their duties. We also scrutinised NAIF's first loan which was announced in October – a fossil fuel subsidy.

In December 2017 the re-elected Queensland Government put a stop to any further possibility of a NAIF loan, reflecting the poor public opinion that our work and other NGOs had been fostering.

Opposing fracking in the Northern Territory

In May 2018 we released the report *Fracking the Northern Territory*, which examines a recent inquiry into hydraulic fracturing in the NT. We concluded that inquiry defied its terms of reference to arrive at a palatable solution for industry.

Following the inquiry, in April 2018 the NT government lifted its popular fracking moratorium. Lifting the moratorium is likely to benefit Jemena, the Chinese- and Singapore-owned company building the Northern Gas Pipeline from the NT to Queensland. Jemena admits to discussions with the NT government prior to the decision to lift the moratorium and has now secured an exemption from new, stricter national gas rules after 'working' with the NT government.

Report author, our expert lawyer David Barnden, says that the exemption is essentially a licence to print money for gas going through the Northern Gas Pipeline, and means Jemena

is not under the oversight of the Australian energy regulator when it comes to pricing for accessing its pipeline.

We continue to pursue this issue including the report's finding that the matter should be referred to the new Independent Commission Against Corruption in the Territory.

Changing practice in the banking industry

In August 2017 we took action against the Commonwealth Bank in the Federal Court for failing to disclose climate change risks in annual reports. Under the Corporations Act, directors of Australian companies must give shareholders information about financial risks.

Less than a week after filing the case, the bank published its 2017 annual report advising shareholders that climate change was a material risk to the bank being able to execute its strategies. In the report CBA promised to undertake climate change scenario analysis on its business in the upcoming year to assess the risk.

CBA's change of heart came after eight months of legal correspondence between Environmental Justice Australia and the bank. There is still work to do as the bank's climate change policy, released the same day as the annual report, has been criticised for failing to phase out investments in industries like thermal coal that exacerbate climate change.

EJA lawyer David Barnden at the launch of the case against the Commonwealth Bank



Communities

Fighting for clean air

Our efforts to clear the air for communities near coal-fired power stations continued this year. We worked closely with local communities and health experts such as Doctors for the Environment to expose problems with emission levels, monitoring and reporting, and enforcement.

In May 2018 we publicised the extraordinary exemption for Liddell power station from NSW air pollution regulations, allowing it to emit toxic oxides of nitrogen (NOx) at up to 14 times the concentration permitted in the United States. Like all Hunter Valley power stations, the toxic emissions from Liddell travel as far afield as Sydney, affecting a vast population. For example, 87% of sulphur dioxide in Sydney's air comes from electricity generation.

We also argued against the Federal Government's insistent call to keep the 46-year-old Liddell open when its operator had long determined it should be closed in 2022. Our ability to provide fact-based analysis and recommendations on contentious topics is important in ideological debates.

Our analysis of the National Pollutant Inventory (NPI) in April was keenly awaited by media and communities. The NPI annually publishes data on 93 toxic substances self-reported by polluters. We produced accessible summary data on power stations, coal mines and air pollution hot spots.

Once again the NPI showed that coal-fired power stations are Australia's major source of toxic fine particle pollution. Among many other findings our analysis revealed:

- Bayswater power station in the Hunter Valley had increased emission of fine particles PM_{2.5} by 69% since last year;
- Loy Yang B in the Latrobe Valley had increased mercury emissions by 116%; and
- nearby Yallourn appears to be inaccurately reporting its toxic emissions, with an unexplained drop in fine particle emissions to 50% lower than any year in the past decade.

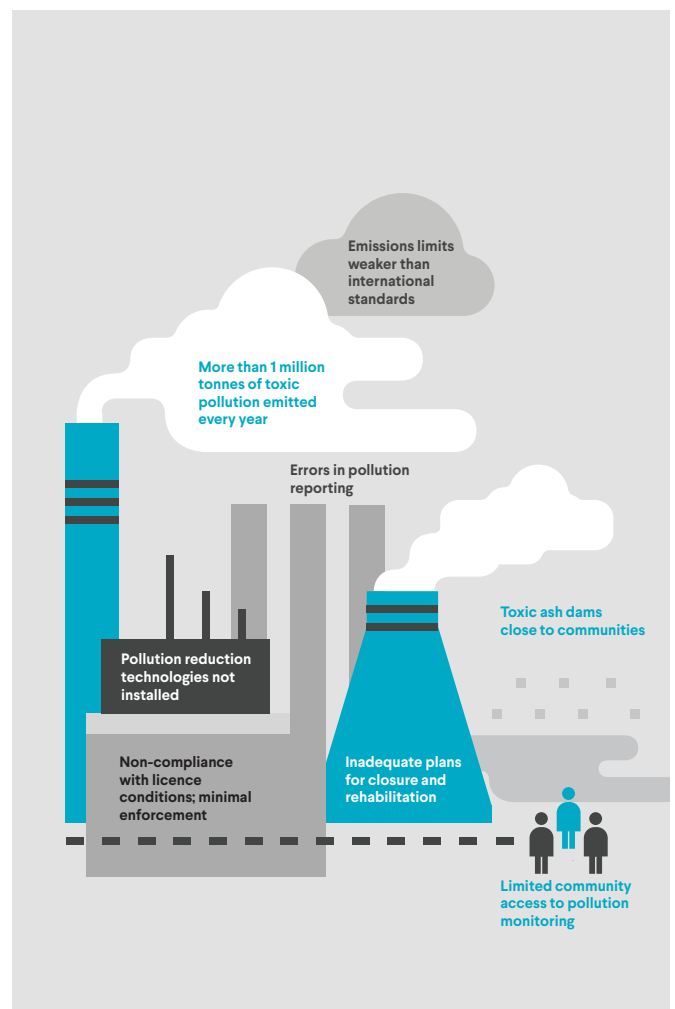
REPORTING THE TOXIC TRUTH

We published a major report *Toxic and Terminal*, drawing on a wide range of expertise.

The report blends research, analysis, international comparisons and community voices to expose the health costs of our ageing fleet of coal-fired power stations and argue the compelling need for pollution reduction technologies. These technologies are readily available and mandatory in many countries.

Our research uncovered regulatory failures such as the NSW mercury emission limit being 666 times the US limit, and even worse, Victoria having no mercury limit at all. Mercury is deadly and builds up over time, posing an ongoing threat for anyone within 50km and in some cases, much further.

The *Toxic and Terminal* report was widely reported and the report is an ongoing resource for our communities and other partners.



Raising a stink in Melbourne's west

While Australia grapples with the flow-on effects of China's ban on imported material for recycling, landfills in Melbourne's west continue to grow and residents say their concerns have been brushed off by the state Environment Protection Authority.

Our report *Raising a Stink* tells stories from western suburbs communities that are struggling for environmental justice while having huge rubbish tips and toxic waste dumps imposed on them.

'The western suburbs have for too long been used as the dumping ground for the rest of Melbourne,' says EJA lawyer and *Raising a Stink* author Dr Chris Atmore.

'While rubbish tips in other parts of Melbourne are being progressively closed, the huge landfills in Werribee, Ravenhall and Wollert keep getting bigger and bigger, filled in part by rubbish being trucked across the Westgate Bridge from the eastern suburbs. This report shows the EPA is not the strong and effective regulator Victorians expect it to be and too often it has been ineffective in addressing the concerns of local residents.'

'Three state government processes – the review of the Environment Protection Act, the reform of the EPA's culture, and the development of a whole-of-government environmental justice strategy – are at a critical stage; we will measure them against the benchmarks in this report.'

'Communities in Melbourne's west are crying out for genuine access to appropriate justice processes that allow environmental harms to be remedied.'

Access to justice for Victorian communities

Providing legal help for Victorians as part of the Community Environmental Legal Service (CELS) program is one of the many ways we pursue access to justice.

Funded by Victoria Legal Aid, the CELS program provides everyday legal help for Victorians through the publication of kits, fact sheets and videos which provide accessible and practical environmental law information to the Victorian community. Through the CELS program we also deliver legal workshops in Victoria, run by one of our expert environmental lawyers to suit the needs of community groups or groups of individuals concerned about or impacted by environmental issues.

We believe that all Australians have a right to clean air, clean water and intact ecosystems. It's also crucial that our communities have a real say over what happens to our environment, and that means participating in decision-making processes. We're working to pursue environmental justice for communities affected by environmental harm by supporting their right to information, their right to participate in the legal and legislative process, and their right to participate in decision-making about their communities

and the places where they live. For example, this year we assisted communities wishing to engage in Environmental Effects Statement processes, residents opposing native vegetation removal that breached a Threatened Species Management Plan, and a community concerned about a development that threatened a wetland including migratory bird habitat.

We've continued to prioritise working with communities and organisations who suffer environmental injustice – the Western Region Environment Centre and the Murray Lower Darling Rivers Indigenous Nations. Part of this work saw us in court with western suburbs residents to appeal a permit that would leave residents without a say over the expansion of the Werribee 'waste mountain' for the next 26 years – a landfill already towering 24m above ground.

A big step forward in Victorian environmental law

In June we welcomed the introduction to the Victorian Parliament of the Environment Protection Bill, in particular the inclusion of a legal right for the community to enforce pollution laws. Environmental Justice Australia has been pushing for reforms to Victoria's pollution control laws and increased community rights for many years.

The Bill replaces the *Environment Protection Act 1970* with a new *Environment Protection Act 2018*.

This Bill represents a substantial overhaul of Victoria's pollution control laws which, although world leading when they were introduced in 1970s, have fallen behind the times.

A key environmental justice reform is the introduction of a legal right for the community to enforce pollution control laws. Although we expect the Environment Protection Authority to remain the primary enforcer of pollution laws, the proposed right to take enforcement action will provide an important safety net should the EPA fail to do its job in enforcing pollution control laws. These new rights ensure Victorians have the same rights as people in NSW and Queensland to enforce pollution laws.

The Bill contains a general duty not to pollute, a new addition to Victoria's legal framework that adds an important preventative focus to the legislation. This general duty replaces the existing strict liability provisions that outlaw causing pollution. This and other innovative reforms will give the EPA regulatory tools to better protect community health and Victoria's natural environment, accountably and responsibly.

The Bill contains welcome reforms that will improve access to information and increase the accountability of the EPA and the participation of the Victorian community. These include a legally mandated consultation charter and a register of public information. It is a good to see a thorough government review process, including significant consultation, produce a raft of measures to improve the health of the community.

Nature

Places You Love

Environmental Justice Australia is a proud member of Places You Love – an alliance of about 40 groups that represent 1.5 million Australians in the quest for stronger laws to protect nature. Australia already has laws that are supposed to protect our unique wildlife, plants, rivers, reefs and forests. Australia’s main federal nature law is the Environment Protection and Conservation Act. But the EPBC Act is now more than 20 years old. It was written when many of the pervasive threats to our environment were less well understood. And it has major failings. Like the exemption it gives to the logging industry, via the Regional Forest Agreements (RFAs), which we are challenging in the Federal Court on behalf of the Friends of Leadbeater’s Possum.

We recently had a good result in that case (see story below), which gives some breathing space for threatened Leadbeater’s possums, greater gliders and their habitat in Victoria’s central highlands, which will be safe from VicForests’ chainsaws while this case proceeds to trial.

Injunction stops logging in five areas until 2019

We successfully gained a Federal Court injunction to prevent logging in five areas that are home to greater gliders in Victoria’s central highlands, while our Friends of Leadbeater’s Possum v VicForests case goes to trial. This injunction gave some certainty for the threatened species in these areas and for the many people who love Victoria’s unique native forests.

This case challenges whether logging in certain areas can continue to have a special exemption from Australia’s national threatened species law. In March the Court found the Regional Forest Agreement for the Central Highlands does exempt logging from the EPBC Act – despite non-compliance with the RFA’s requirement for five-year reviews – but importantly the Court found non-compliance with other terms in the RFA may remove that exemption. We allege certain terms are not being complied with, including that VicForests failed to identify and protect Leadbeater’s Possums and Greater Gliders, and their habitat.

This case has been partially funded by crowdfunding, demonstrating the importance the community places on this protection work. If successful, it could pave the way for similar challenges to RFAs in other states.

The Guardian



VicForests banned from logging greater glider habitat pending legal challenge

Protecting old-growth forest in East Gippsland

Our busy forest team have also been running a case in the Victorian Supreme Court to protect ancient forest marked for logging by VicForests, now encompassing more than 30 untouched areas. These areas have now been protected by injunction while the case proceeds.

Our writ named VicForests and the Department of Environment, Land, Water & Planning as defendants. The case alleges that the environment department has not protected the minimum area of old growth forest required by law in East Gippsland, and that until it does, logging in this area of old growth forest at Kuark is unlawful.

The environment department's position in Court was that it has no obligations to protect old-growth forest. We believe the environment department has not protected the minimum area of old growth forest required by law in East Gippsland, and for some forest types the amount of old growth protected could be as low as 17% when it should be at least 60%. This case will test the point.

The case continues and once again, our community clients are being assisted by successful crowdfunding to meet court costs, reflecting the many Australians who want to see unique plants and wildlife protected.



Blue ties mark the edge of a logging coupe in Gippsland's old-growth forest



Nature

Flora and fauna need stronger protection

This year saw some movement on our long-term efforts to strengthen threatened species protection in Victoria. However, the Victorian Government's amended Flora and Fauna Guarantee (FFG) Bill, introduced to parliament in late May, continues to give governments too much discretion to act or not act to protect the state's threatened species.

We are concerned this Bill does little to strengthen the FFG Act, which, despite being one of Victoria's main environmental laws, has achieved little for nature and threatened species conservation since it was enacted in 1988.

We made more than 20 recommendations to Government – including to insert mandatory protection for threatened species and their habitats into the Act, which would have significantly strengthened this law – but only two of our recommendations have been included in this Bill.

We welcomed the commitment to maintain the 'guarantee' that Victoria's flora and fauna can flourish in the wild. Usefully, the Bill also updates some language, includes a set of principles and improves the method to assess whether to list a species as threatened, but it makes little change to anything that would actually protect those species once they are listed.

A key weakness with the FFG Act is that the parts of the Act that could actually protect threatened species from known threats are left entirely at the discretion of Government to use or not to use. The experience of the last quarter of a century is that they have not been used – at all.

We are continuing to work on this as we hope that this is part one of the reform of this Act and that more changes that will actually protect Victoria's threatened species will come.

The endangered Bush Stone-curlew



Rivers of the West

In 2017 we were instrumental in getting the ground-breaking Yarra River (Wilib-gin Birrarung murrn) Protection Act passed through the Victorian Parliament. This year, we began a new campaign to secure comparable legal protections for key urban waterways in Melbourne's west.

Working with several community groups throughout the western suburbs and the Maribyrnong and Werribee catchments, we are seeking to have the Maribyrnong and Werribee Rivers and other smaller waterways acknowledged as valuable community assets and better protected in law.

This project continues our innovative participatory design process whereby community members, either individually or through community organisations, come together in a structured way to propose and debate a reform program. This is a process we pioneered in development of proposals for the Yarra River Act.

The rivers of Melbourne's west are valuable assets for communities in the suburbs and rural hinterland, but their protection and restoration is constrained by weak and fragmented laws. For decades these rivers have been neglected and inaccessible, damaging species, biodiversity and the rivers' resilience to climate change. Threats include over-development, contaminated land nearby and fragmented governance. Threatened species like the pygmy perch are in serious trouble and populations of platypus are at risk.

The project has brought together community groups, councils and relevant agencies to collaborate on policy and law reform ideas, and has fed protection and restoration plans into the policy development processes of both Government and Opposition. It has also confirmed the effectiveness of our participatory design process in allowing communities to have their say about the issues that affect them and shape better outcomes for their environment.

A set of final proposals will result, to be used by community groups in advocacy and laying the groundwork for legislative and policy change in the next Parliamentary term.



Thanks and acknowledgements

Thank you for your support

Thanks to our many generous donors who make our work possible, particularly those who matched gifts made in June this year.

Environmental Justice Australia warmly thanks the organisations who have provided the financial support that makes our work possible, including:

Australian Communities Foundation
Department of Justice and Regulation
Fremantle Foundation - Duffield-Thomas Family Fund
Lord Mayor's Charitable Foundation
Victoria Legal Aid, Community Legal Centres Funding and Development Program

Pro bono

We thank the following for providing their services at no charge or at reduced rates:

Serena Armstrong
Mick Coleman
Jeff Cranston
Earthjustice
Kathleen Foley
Peter Gray QC
Michael Green SC
Peter Hanks QC
Laura Hilly
Fiona Hudgson
Marque Lawyers
James Mack
Ron Merkel QC
Emrys Nekvapil
Paoli Smith Creative Agency
Sarah Porritt
Helen Symon QC
Myles Tehan
Julia Watson

Law student and lawyer volunteers

Tim Bate
Jayson Broadway
Tyana Del Campo
Brittini Dienhoff
Lloyd Duncan
Sara Etjemai
Ashleigh Feurtado
William Field-Papuga
Sarah Flynne
Liv Fowler
Abigail Gedge
Crystal Holt
Georgia Huglin
Elizabeth Jacques
Kati Leuschel
Sophie Lloyd
Sean Maher
Alice Moore
Emily Morison
Crystal Nguyen
Lucy Richardson
Callum Rose
Salik Shafique
Nicola Silbert
Jacqui Simpson
Samantha Smith
Vanessa Sporne
Michaela Vaughan
Greta Walters
Teagan Watson
Kim Wilson
Tiffany Youssef
Moya Zhang

EJA Awards

Environmental justice award

Mike Campbell OAM

This special recognition is reserved for someone we believe has made a long term contribution to environmental justice – righting environmental wrongs, fixing bad laws, championing public participation and generally standing up for the things we believe in, like an effective and accountable system of environmental regulation and the community's right to know and to participate in decision-making.

Pro bono contribution award

Emrys Nekvapil and Sarah Zeleznikow

Since we began, we have relied very heavily on legal and other professionals to support our work on a pro bono basis. We cannot achieve all we do without our colleagues in private practice and at the bar supporting us and our clients with their time and expertise at little and often no cost.

Valuable volunteers award

Tom Rochford and Claire Toole



We benefit greatly from the enthusiastic contribution of a large number of volunteers, primarily law students. We like to highlight the contribution of one of our volunteers to demonstrate the lengths they will go to, to help our work.

Environmental Justice Australia

ABN 74 052 124 375

Financial Report for the Year ended 30 June 2018



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Directors' Report

Your directors present this report on Environmental Justice Australia ("the Company") for the year ended 30 June 2018.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

Kate Allsopp (appointed 25 Mar 2018)
Andrew Spenser Cox
Richard Dominic Hilton (resigned 24 Jul 2017)
Thea Margaret Lange (resigned 26 Mar 2018)
Chiara Louise Lawry (appointed 8 Mar 2018)
Sally Margaret Romanes
Elizabeth Jane McMeekin
Hai Chuan Teh (appointed 18 Jul 2017)
Megan Katherine Utter

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year were providing environmental and planning law services to the community, promoting and developing educational programs for the community in connection with environmental and planning law matters, and promoting and encouraging environmental laws and policies for the conservation, protection and enhancement of the natural or cultural environment.

No significant change in the nature of these activities occurred during the year.

OPERATING RESULTS

The surplus from ordinary activities after income tax amounted to \$26,709 (2017: surplus \$11,413).

INFORMATION ON DIRECTORS

Kate Allsopp

B.Eng (Chem) (Hons), MEnv Eng

Non-executive Director from 25 March 2018

Kate is a manager with Sustainability Victoria. She has worked across a number of sectors in leadership roles including manufacturing, banking and the not-for-profit sector, including as CEO of the Alternative Technology Association and National Accreditation Manager for the Clean Energy Council.

Andrew Spenser Cox

BSc, Grad Dip (Environmental Studies)

Non-executive Director, Vice-Chairperson

Andrew Cox has a long career working in nature conservation in management and governance roles for government and non-government organisations. He is currently CEO of the Invasive Species Council, a member of the NSW biosecurity advisory committee and the national feral cat taskforce and president of 4nature Inc.

Richard Dominic Hilton - resigned 24 July 2017

BSc Management Sciences, Fellow of the Institute of Chartered Accountants in England and Wales, Member of the Institute of Chartered Accountants Australia

Non-executive Director to 20 July 2018

Richard Hilton is a Director in the Assurance Group at Ernst & Young Melbourne, specialising in external audit and statutory reporting, process analysis and design, due diligence and risk management. His key industry experience covers the energy, utilities, infrastructure and telecoms sectors.

Thea Margaret Lange

LLB (Hons) / BEng (Environmental) (Hons)

Non-executive Director to 26 March 2018

Thea Lange is a consultant, helping companies to improve their business operations and processes. Her industry experience spans Australia and the UK and includes media, health, utilities and mining. Previously she has worked as a commercial lawyer and as an environmental engineer supporting site assessments and statutory audits of contaminated land.

Chiara Louise Lawry

BA, LLB (Hons), GDLP,

MPA Non-executive Director from 8 March 2018

Chiara Lawry is a management consultant and policy adviser. Chiara works at the Boston Consulting Group where she is a core member of the public sector practice. She has experience in strategy, organisational transformation and business development. Chiara has a deep passion for social impact and has worked with a number of local and international not-for-profit organisations.

Sally Margaret Romanes

LLB (Hons)

Non-Executive Director

By training Sally was a corporate and commercial lawyer, however she now works on specific projects ranging from the arts to business transactions, in both for-profit and not-for-profit areas. She was a core member of the community group which campaigned successfully to create an arts and cultural precinct at the Abbotsford Convent Convent and was a founder Director of the not-for-profit Abbotsford Convent Foundation from the time operations began in 2004 until 2017, and, apart from her previous experience as a corporate and commercial lawyer, has specific experience in fundraising, corporate governance and the operation of enterprises in the primary production sectors.

Elizabeth Jane McMeekin

BA, Certificate in Direct Marketing, Certificate in Fundraising

Non-executive Director, Secretary

Libby is an experienced fundraising and direct marketing consultant, working with both not-for-profit and commercial organisations. She is currently the Client Relationship Manager of Bluestar Direct, a specialist provider of direct marketing services.

Hai Chuan Teh

*BCom Accounting, Member of the CPA Australia and Member of the Malaysian Institute of Accountants
Honorary Treasurer*

HC Teh is a Director with EY Melbourne specialising in corporate governance, risk management, statutory and other reporting. HC Teh is committed in contributing to the community and the environment in their efforts to building a better working world.

Megan Katherine Utter

*BA (Hons) / LLB (Hons), Dip Mod Lang (French), MEnv.
Non-executive Director, Chairperson*

Megan Utter is a Director in the infrastructure regulation division at the Australian Competition and Consumer Commission (ACCC). Previously she practised as a lawyer in environmental and planning law with Phillips Fox (now DLA Piper). She has had long-term involvement with the not-for-profit sector.

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Kate Allsopp	3	2
Andrew Spenser Cox	8	7
Richard Dominic Hilton	1	0
Thea Margaret Lange	6	6
Chiara Louise Lawry	3	3
Sally Margaret Romanes	8	7
Elizabeth Jane McMeekin	8	8
Hai Chuan Teh	8	7
Megan Katherine Utter	8	8

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,000 (2017: \$590).

AFTER BALANCE DATE EVENTS

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

Directors' Report

DIVIDENDS PAID OR RECOMMENDED

No Dividends were paid or are recommended for payment, and, in any case, are not permitted to be paid by the Constiution.

LIKELY DEVELOPMENTS AND RESULTS

No changes are envisaged at present.

AUDIT COMMITTEE

At the date of this report the Company does not have an audit committee.

CORPORATE GOVERNANCE

At the date of this report, the Company does not have a policy covering Corporate Governance.

DIRECTORS AND AUDITORS INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs.

SHARE OPTIONS

No options to shares in the Company have been granted during the financial year and there were no options outstanding at the end of the financial year. Options are not permitted to be granted as the Company is limited by guarantee.

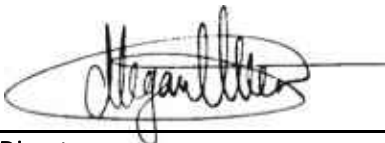
DIRECTORS' BENEFITS

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director

Dated: 4 October 2018



Director

Dated: 4 October 2018

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Sean Denham

Dated: 4TH OCTOBER 2018
Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

Statement of Profit and Loss and Other Comprehensive Income

	Note	2018 \$	2017 \$
Revenue			
Grants		694,754	655,267
VLA Funds		202,928	191,332
VLA Surplus (carried)/brought Forward (incl. ERO State and Extra)		26,896	10,241
Fee for service		42,410	69,485
Donations, Fundraisings, Lectures		367,024	219,312
Sundry Income		27,408	3,237
Interest Received		6,143	5,969
		<u>1,367,563</u>	<u>1,154,843</u>
Expenditure			
Employee Benefits expenses		1,018,341	890,840
Occupancy expenses		62,834	61,956
Depreciation expense		4,317	3,600
Legal Practice expenses		61,618	13,116
IT expenses		35,595	30,300
Consultants expenses		10,051	21,986
Travel expenses		26,835	29,639
Sundry expenses		121,263	91,993
		<u>1,340,854</u>	<u>1,143,430</u>
Surplus before income tax for the year		26,709	11,413
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax for the year		26,709	11,413
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>26,709</u></u>	<u><u>11,413</u></u>

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	2	655,988	644,632
Trade and other receivables	3	95,487	61,201
Financial assets	4	10,000	10,000
TOTAL CURRENT ASSETS		<u>761,475</u>	<u>715,833</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,996	12,095
TOTAL NON-CURRENT ASSETS		<u>8,996</u>	<u>12,095</u>
TOTAL ASSETS		<u>770,471</u>	<u>727,928</u>
CURRENT LIABILITIES			
Trade and other payables	6	83,446	59,981
Project funds received in advance	7	391,180	417,862
Provisions	8	116,486	99,569
TOTAL CURRENT LIABILITIES		<u>591,112</u>	<u>577,412</u>
NON-CURRENT LIABILITIES			
Provisions	8	7,500	5,366
TOTAL NON-CURRENT LIABILITIES		<u>7,500</u>	<u>5,366</u>
TOTAL LIABILITIES		<u>598,612</u>	<u>582,778</u>
NET ASSETS		<u>171,859</u>	<u>145,150</u>
MEMBERS' FUNDS			
Retained profits		171,859	145,150
TOTAL MEMBERS' FUNDS		<u>171,859</u>	<u>145,150</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

	Retained Earnings \$	Total \$
Balance at 1 July 2016	133,737	133,737
Comprehensive Income		
Surplus for the year	11,413	11,413
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>11,413</u>	<u>11,413</u>
Balance at 30 June 2017	145,150	145,150
Comprehensive Income		
Surplus for the year	26,709	26,709
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>26,709</u>	<u>26,709</u>
Balance at 30 June 2018	<u><u>171,859</u></u>	<u><u>171,859</u></u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and customers		1,300,452	1,110,983
Payments to suppliers and employees		(1,294,021)	(1,106,209)
Interest received		<u>6,143</u>	<u>5,969</u>
Net cash generated from operating activities	9	<u>12,574</u>	<u>10,743</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		<u>(1,218)</u>	<u>(2,419)</u>
Net cash used in investing activities		<u>(1,218)</u>	<u>(2,419)</u>
Net increase in cash held		11,356	8,324
Cash at the beginning of the year		644,632	636,308
Cash at the end of the year	2	<u><u>655,988</u></u>	<u><u>644,632</u></u>

The accompanying notes form part of these financial statements.

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Note 1: Statement of Significant Accounting Policies

This special purpose financial report has been prepared for distribution to the members to fulfil the directors' financial reporting requirements under the *Australian Charities and Not-for-Profits Commission Act 2012*. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and with previous years, and are, in the opinion of the directors, appropriate to meet the needs of members.

The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption. Notwithstanding the Company continues to rely on the on-going support from the state government agency and other private organisations and individuals in the form of grant and donation income to fund its principal activities. The level of support while has been strong in the past is inherently uncertain which is not uncommon for a not-for-profit organisation. The Company has put in place a plan to secure the necessary funding for it to execute its principal activities.

The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Environmental Justice Australia because it is not a "reporting entity".

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investment with original maturities of three months or less.

b. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

c. Trade and other receivables

Trade receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

d. Property, Plant and Equipment

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

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use. Leasehold Improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Note 1: Statement of Significant Accounting Policies (cont.)

e. Trade and other payables

Trade payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

f. Employee Entitlements

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

Provision is made for the entity's liability for long service leave when an employee reaches 5 years of consecutive service with the company.

g. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as deferred revenue.

Grant Income

A number of programs are supported by grants received from State Government, as well as private organisations.

If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied

Fees for Service

Fees for service are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

Note 1: Statement of Significant Accounting Policies (cont.)

i. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

k. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. There is no material impact on the financial statements from the adoption in the current year.

l. New Accounting standards for Application in Future Periods

Certain new accounting standards and interpretations have been published but are not mandatory for 30 June 2018 reporting periods.

AASB 9 Financial Instruments

AASB 9 will change the classification and measurement of financial instruments and introduce a new expected loss impairment model that will require more timely recognition of expected credit losses. The Company expects to apply AASB 9 for the first time for the financial year ended 30 June 2019. The Company is currently assessing the impact of AASB 9 however does not expect it will have a material impact on the Company's financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 1058 Income of Not-for-Profit Entities

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities

AASB 1058 and AASB 2016-8 defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

Note 1: Statement of Significant Accounting Policies (cont.)

I. New Accounting standards for Application in Future Periods (cont.)

AASB 15 Revenue from Contracts with Customers

AASB 1058 Income of Not-for-Profit Entities

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities (cont.)

The Company has set up an implementation project plan to assess the impact of AASB 15 and 1058. Preliminary work performed has focused on diagnosing the Company's revenue streams against the requirements of the new standard but is not yet able to identify the specific areas which are expected to be impacted, nor is the Company able to make a quantitative determination as to the Standard's impacts to its revenue streams.

AASB 16 Leases

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The Company has not yet begun assessing the impact of AASB 16. However, the Standard is not expected to have a material impact on the Company's financial statements.

Notes to the Financial Statements

	2018 \$	2017 \$
Note 2: Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	655,788	644,432
	<u>655,988</u>	<u>644,632</u>
Note 3: Trade and other receivables		
Accounts receivable	<u>95,487</u>	<u>61,201</u>
Note 4: Financial Assets		
Term deposits	<u>10,000</u>	<u>10,000</u>
Note 5: Property, plant and equipment		
Office equipment - at cost	46,289	45,071
Less accumulated depreciation	<u>(37,293)</u>	<u>(32,976)</u>
	<u>8,996</u>	<u>12,095</u>
Movements in carrying amounts		
Carrying amount at beginning of year	12,095	13,276
Additions at cost	1,218	2,419
Disposals	-	-
Depreciation expense	<u>(4,317)</u>	<u>(3,600)</u>
Carrying amount at end of year	<u>8,996</u>	<u>12,095</u>
Note 6: Trade and other payables		
Accounts Payable	21,422	16,661
Sundry creditors and accruals	62,024	43,320
	<u>83,446</u>	<u>59,981</u>
Note 7: Project funds received in advance		
Project funds received in advance	385,884	343,111
VLA Innovation and Transformation	5,296	47,855
VLA Surplus carried forward - ERO Extra	-	26,896
VLA Surplus carried forward - Surplus	-	-
	<u>391,180</u>	<u>417,862</u>
(a) VLA ERO Extra comprises amounts carried forward from the following years		
- 2015/2016	-	10,345
- 2014/2015	-	8,844
- 2013/2014	-	6,020
- 2012/2013	-	1,687
	<u>-</u>	<u>26,896</u>

	2018 \$	2017 \$
Note 8: Provisions		
Current		
Provision for annual leave	89,189	56,260
Provision for long service leave	27,297	43,309
	<u>116,486</u>	<u>99,569</u>
Non-current		
Provision for long service leave	<u>7,500</u>	<u>5,366</u>
Note 9: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Surplus/(deficit) after income tax	26,709	11,413
Non-cash flows in profit		
- Depreciation	4,317	3,600
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other receivables	(34,286)	36,057
- Increase in creditors	23,465	15,682
- (Decrease) in amounts received in advance	(26,682)	(73,948)
- Increase in provisions	19,051	17,939
Net cash generated from Operating Activities	<u>12,574</u>	<u>10,743</u>
Note 10: Operating Lease Commitments		
Operating leases contracted for but not recognised in the financial statements		
Payable - minimum lease payments:		
- no later than 12 months	45,660	45,660
- between 12 months and five years	98,930	144,590
- greater than five years	-	-
	<u>144,590</u>	<u>190,250</u>

The company has a property lease commitment, it is a non-cancellable operating lease with a five-year term with rent payable monthly in advance. The lease had an option to renew which was exercised in August 2016 for a further term of 5 years. Increases in lease commitments may occur as a result of a market rent review in accordance with the agreement.

Note 11: Company Details

The registered office and principal place of business of the entity is:
L3, 60 Leicester Street
Carlton VIC 3054

Notes to the Financial Statements

Note 12: Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2018 the number of members was 100 (2017: 59).

Note 13: Related Party Transactions

Thea Lange was employed by the Company from 28 September 2017 due to operational needs and the employment arrangement was on market rates. Thea Lange resigned as director on 26 March 2018.

Directors' Declaration

In accordance with a resolution of the directors of Environmental Justice Australia, we state that in the opinion of the directors:

- a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- b) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:



Director

Dated: 4 October 2018



Director

Dated: 4 October 2018

Sean Denham & Associates Pty Ltd
Accountants & Auditors

ENVIRONMENTAL JUSTICE AUSTRALIA

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ENVIRONMENTAL JUSTICE AUSTRALIA

Opinion

I have audited the accompanying financial report, of Environmental Justice Australia, which comprises the statement of financial position as at 30 June 2018, statement of changes in equity, statement of cash flows and the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of Environmental Justice Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) gives a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and 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 Australia. I have also fulfilled my 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility of the Board for the Financial Report

The board of the company is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 of the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The board's responsibility also includes such internal control as the board determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the board either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My objectives 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 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 the financial report.

As part of an audit in accordance with 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of responsible entities' 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 company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our 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 company 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 those charged with governance 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.



Sean Denham

Dated: 4TH OCTOBER 2018
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

Environmental Justice Australia

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