



Using the law for justice,
people and planet

FINANCIAL PERFORMANCE

Summary

In 2022/23, Environmental Justice Australia achieved a surplus of \$2,431,785. This was well above the surplus in the previous 2021–22 financial year, including for the following reasons:

- We received a generous \$2 million gift. Of this, \$1.2 million was allocated to core and program funding over three years and \$800,000 invested in EJA's Future Fund. This allocation of funds to future years leaves a large surplus in the 2022/23 financial year but will strengthen future sustainability.
- We achieved Future Fund earnings of \$45,127 and interest income of \$41,016.
- We received \$620,180 in legal fees pursuant to a Federal Court order in one of our cases. This is one-off extraordinary income for the 2022/23 financial year, which EJA put towards replenishing reserves and investing in various core parts of our work over the next three years.

FUTURE FUND

In 2021/22, EJA was supported by a generous donor to establish an endowment fund to ensure the long-term financial sustainability and independence of EJA. One of the aims of the Future Fund is to provide an annual distribution to EJA to cover core operating costs and help seed new or urgent legal actions as they arise.

The Future Fund is governed by the Reserves and Investments Policy and is overseen by a committee made up of EJA Board members. The Future Fund endeavours to invest in organisations and products that align with EJA's values and adhere to our ethical investment overlay. Investment types are also chosen to balance ethical considerations and financial returns to the Future Fund. Donations to the Future Funds are tax-deductible.

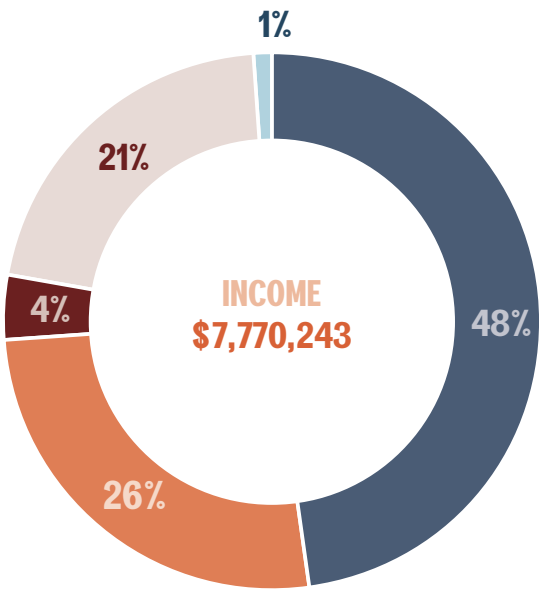
GENERAL STATEMENT ON FINANCIALS

EJA expanded its staff team over the year to align with the ambitions of our strategic plan, which saw salaries increase by 38%, bringing full time equivalent staff to 33.5. Due to the growing breadth of our work, there were subsequent increased spends in IT, legal practice costs and expert consultants.

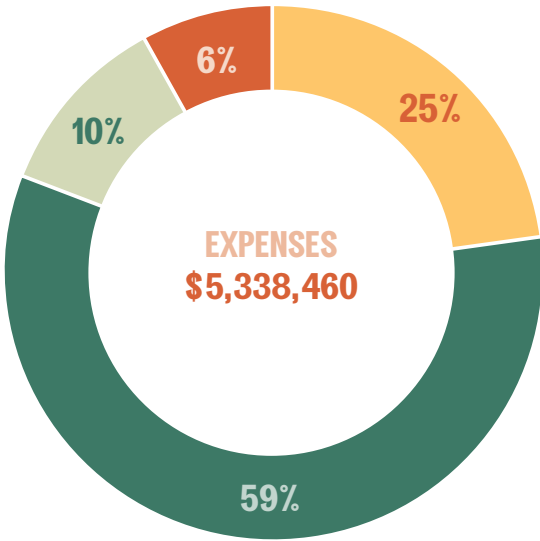
Grants income increased to \$2.0 million, primarily driven by the strengthening of two major partnerships, and investment in capacity with a new Grants Officer position bringing in new grants to meet the growing needs of the team.

Donations significantly exceeded previous years with the total number of donations increasing by 17%, from 5,344 donations last financial year to 6,275 donations this financial year, and with donation income growing 63% to \$3.7 million (including the Future Fund).

State government funding through Victoria Legal Aid remained steady.



- Donations
- Grants
- Government
- Legal Service Fees & Disbursements
- Membership & Other Income



- Legal Programs
- Operations & Management
- Campaigns & Communications
- Fundraising

Environmental Justice Australia

ABN: 74 052 124 375

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Environmental Justice Australia

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Directors' Report

30 June 2023

The directors present their report on Environmental Justice Australia for the financial year ended 30 June 2023.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Kate Allsopp	Deputy Chair	Appointed 25 March 2018
Lane Bryce Crockett	Chairperson	Resigned 21 June 2023
Arjuna Charles Dibley	Secretary	Appointed 6 November 2020
Anthony Patrick Kelly	Chairperson (from 21 June 2023)	Appointed 6 November 2020
Victoria Fay Marles	Director	Appointed 18 June 2023
Elizabeth Jane McMeekin	Director	Resigned 9 November 2022
Sally Margaret Romanes	Director	Appointed 16 November 2010
Ann-Maree Smith	Treasurer	Appointed 20 October 2021

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

Directors' Qualifications, Experience and Special Responsibilities

Kate Allsopp

B.Eng (Chem) (Hons), MEnv Eng, Non-executive Director, Deputy Chair

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.

Lane Bryce Crockett

B. Eng (Mech) Grad Dip (Commercial Law), Non-executive Director, Future Fund and Investments Committee, Chairperson (Resigned on 21 June 2023)

Lane was an Executive Director at the Sentient Impact Group, a fund manager focussing on shifting institutional capital towards investments that blend financial returns with positive social and environmental impact. Lane has over 30 years of international experience in the energy industries with the last 18 years being heavily involved in the transition to clean energy. Lane stepped down from the EJA Board to take the role of Executive General Manager Commercial at the new State Electricity Commission of Victoria.

Arjuna Charles Dibley

B. Asian Studies (Hons), LLB (Hons), JSD, Non-executive Director, Future Fund and Investments Committee, Secretary

Arjuna is a Director at Pollination, a climate change advisory and investment business, and an Honorary Research Associate at Oxford University. He advises governments, corporations and not-for-profits on various aspects of climate change policy, finance and energy decarbonisation. Previously, Arjuna worked as a researcher at the Steyer-Taylor Centre for Energy Policy and Finance at Stanford University in the US, and the Centre for Policy Development, an Australian think tank working on democratic renewal and climate change policy. He was formerly a commercial lawyer for several years.

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Directors' Report

30 June 2023

Anthony Patrick Kelly

BSc (Australian Environmental Studies), BSocWk, JD, Non-executive Director, Governance Committee, Chairperson

Tony is the CEO of First Nations Legal & Research Services and has for the last 12 years worked to advance the land justice aspirations of Victorian Traditional Owners. Tony began his professional life as a park ranger in the Northern Territory and worked for many years as a social worker before returning to university in the mid-nineties to study law. Tony has many years' governance experience across a range of not-for-profit organisations and currently sits on the board of the National Native Title Council.

Tony is the co-author of Growing Pineapples in the Outback (UQP), with his partner Rebecca Lister.

Victoria Fay Marles AM

BA, Dip Ed, Dip Arts (Dramatic Arts), LLB (Hons), LLM, FAICD, Non-executive Director (Appointed on 18 June 2023)

Victoria Marles trained as a lawyer and has worked across the private, not-for-profit and public sectors in media/communications and consumer law.

Victoria was CEO of Trust for Nature for 13 years, and currently serves as Chair of the Australian Land Conservation Alliance and is a director of Yarra Valley Water Corporation. Victoria has recently finished terms as the chair of the Consumer Action Law Centre, and chair of the Abbotsford Convent Foundation, Victoria has held the positions of CEO of the Legal Services Board (Victoria), Legal Services Commissioner (Victoria), and Deputy Telecommunications Industry Ombudsman and has been a trustee of the Victorian Arts Centre Trust.

Victoria brings relevant expertise in the areas of biodiversity conservation and regulation including the development of environmental markets.

Elizabeth Jane McMeekin

BA, Certificate in Direct Marketing, Certificate in Fundraising, Non-executive Director, Secretary (Resigned 9 November 2022)

Libby is an experienced fundraising and direct marketing consultant, working with both not-for-profit and commercial organisations. She was the Grants Manager at the Epworth Medical Foundation and is currently Individual Giving Officer at the Cancer Council of Victoria.

Sally Margaret Romanes

LLB (Hons), Non-Executive Director, Future Fund and Investments Committee

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 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.

Ann-Maree Smith

FCPA MAICD AGIA MAcc MntBus GradDipACG, Non-Executive Director, Future Fund and Investments Committee, Governance Committee, Treasurer

Ann-Maree Smith is the Company Secretary of Good Shepherd Australia New Zealand. Prior to that she was the Chief Financial Officer and Company Secretary of Conservation Volunteers Australia and New Zealand. She has held a number of board and/or executive finance, governance and compliance roles with not-for-profit charitable organisations. Ann-Maree is a Fellow member of CPA, a graduate member of the Australian Institute of Company Directors and associate member of the Governance Institute of Australia.

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Directors' Report
30 June 2023

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Kate Allsopp	8	6
Lane Bryce Crockett (Resigned 21 June 2023)	8	7
Arjuna Charles Dibley	8	3
Anthony Patrick Kelly	8	7
Victoria Fay Marles (Appointed 18 June 2023)	1	1
Elizabeth Jane McMeekin (Resigned 9 Nov 2023)	2	2
Sally Margaret Romanes	8	5
Ann-Maree Smith	8	6

Principal activities

The principal activity of Environmental Justice Australia during the financial year was 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.

Operating results

The surplus for the year amounted to \$2,431,785 (2022: \$465,101).

Environmental Justice Australia had two extraordinary sources of revenue this year: the receipt of legal fees and repayment of legal disbursements in a costs settlement with VicForests; and a very large one-off donation. These contributed to an increase in revenue of 101% to \$7,770,242. The increase in revenue has contributed to an increase in the Company's surplus. \$800,000 has been invested in the Future Fund and the remainder of these funds will be spent on legal programs and operations in the next two financial years.

Short and Long Term Objectives

Environmental Justice Australia's objectives, both short and long term, are to:

- Protect and enable repair of critical habitats and ecosystems using state and federal laws, and associated campaigns
- Run public interest litigation and legal interventions to achieve a safe climate
- Support and advocate for community health, in particular for communities experiencing environmental harm from pollution
- Provide legal support to First Nations people caring for Country and Culture and keeping nature healthy and thriving

Environmental Justice Australia

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Directors' Report

30 June 2023

Strategies and Activities

Environmental Justice Australia 's strategy in pursuing these objectives is:

- Finding innovative ways to use the law including adopting strategies that address the heart of the problem
- Pursuing systems-level change by supporting & enabling communities to advocate for themselves & the environment

Prioritising environmental justice communities and collaborating with like-minded organisations.

Performance Measures

Environmental Justice Australia uses a range of financial and non-financial indicators to measure our performances including:

- Growth of overall operating budget including adequate reserves to provide financial security
- An increase in overall untied funding as a percentage of the operating budget
- Growth of EJA supporter base including an increase in new donors, and retention of existing donors
- Growth in the number of members of the public participating in EJA campaigns and activities
- Number of legal precedents established that protect nature and communities
- Incidents of government & corporate decision makers showing understanding of the issues facing nature and communities, and how to address them
- Incidents of government & corporate decision makers taking steps to protect nature and communities
- Incidents of community input in to environmental decision making, due to the support of Environmental Justice Australia.

Significant Changes

No significant changes in the nature of the Company's activity occurred during the financial year.

After Balance Date Events

No matters or 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.

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 Constitution.

Likely Developments and Results

No changes are envisaged at present.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Environmental Justice Australia.

Environmental Justice Australia

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Directors' Report

30 June 2023

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 an entity in which a director has a substantial financial interest.

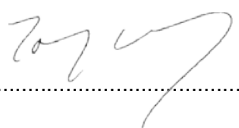
Members Guarantee


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 outstanding obligations of the Company. At 30 June 2023 the number of members was 63 (2022: 72).

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is set out on page 6.

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

Director: 
Tony Kelly

Director: 
Ann-Maree Smith

Dated this 21 day ofSeptember..... 2023

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Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Environmental Justice Australia

As lead audit partner for the audit of the financial statements of Environmental Justice Australia for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

A stylized, handwritten signature of the word "Nexia" in dark ink.

**Nexia Melbourne Audit Pty Ltd
Melbourne**

A handwritten signature of Ben Bester in dark ink.

**Ben Bester
Director**

Dated this 21st day of September 2023

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Environmental Justice Australia 2023

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Grants	3	2,017,068	1,082,077
VLA Funds		341,604	287,768
Donations, Fundraisings, Lectures		2,919,814	1,575,363
Donations - Future Fund		800,000	700,000
Fees for Service		620,180	29,818
Future Fund Income		45,127	-
Client Reimbursements		969,826	173,227
Other Income		15,608	2,359
Interest Received		41,016	2,147
		7,770,242	3,852,759
Expenditure			
Employee benefits expense		(3,492,861)	(2,500,863)
Depreciation expense		(3,818)	(7,713)
Amortisation expense		(68,627)	(71,234)
Impairment losses on financial assets		(525)	-
IT expenses	4	(250,972)	(159,284)
Occupancy expenses		(52,131)	(43,527)
Consultants expenses		(95,528)	(118,828)
Legal expenses	4	(1,085,046)	(364,358)
Travel expenses		(48,457)	(16,110)
Administrative expenses		(225,450)	(100,225)
Finance expenses	4	(15,042)	(5,516)
		(5,338,457)	(3,387,658)
Surplus before income tax		2,431,785	465,101
Income tax expense	1	-	-
Surplus for the year		2,431,785	465,101
Other comprehensive income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Equity instruments at fair value through other comprehensive income – fair value changes		21,025	-
Total other comprehensive income for the year		21,025	-
Total comprehensive income for the year		2,452,810	465,101

Environmental Justice Australia 2023

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**Statement of Financial Position
As At 30 June 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,934,918	2,151,561
Trade and other receivables	6	96,880	70,009
Financial assets	9	436,160	700,000
Other assets	7	20,000	33,404
TOTAL CURRENT ASSETS		4,487,958	2,954,974
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,639	5,457
Right-of-use assets	10	306,122	46,761
Financial assets	9	1,114,561	-
TOTAL NON-CURRENT ASSETS		1,422,322	52,218
TOTAL ASSETS		5,910,280	3,007,192
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	288,172	196,687
Lease liabilities	10	57,486	47,831
Provisions	12	296,341	196,726
TOTAL CURRENT LIABILITIES		641,999	441,244
NON-CURRENT LIABILITIES			
Lease liabilities	10	252,288	-
Provisions	12	7,977	10,742
TOTAL NON-CURRENT LIABILITIES		260,265	10,742
TOTAL LIABILITIES		902,264	451,986
NET ASSETS		5,008,016	2,555,206
EQUITY			
Financial asset reserve	15	21,025	-
Accumulated surplus		4,986,991	2,555,206
TOTAL EQUITY		5,008,016	2,555,206

Environmental Justice Australia 2023

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Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Note	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2022		2,555,206	-	2,555,206
Surplus for the year		2,431,785	-	2,431,785
Other comprehensive income		-	21,025	21,025
Total comprehensive income		2,431,785	21,025	2,452,810
Balance at 30 June 2023		4,986,991	21,025	5,008,016

2022

	Note	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2021		2,090,105	-	2,090,105
Surplus for the year		465,101	-	465,101
Total comprehensive income		465,101		465,101
Balance at 30 June 2022		2,555,206	-	2,555,206

Environmental Justice Australia 2023

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Statement of Cash Flows
For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grants, donations, fundraisings, and lectures	7,7002,355	3,883,148
Payments to suppliers and employees	(5,049,231)	(3,248,800)
Interest received	41,016	2,147
Finance costs paid	(15,042)	(5,516)
Net cash provided by operating activities	17 2,669,098	630,979
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for financial assets	(819,696)	(700,000)
Net cash (used in) investing activities	(819,696)	(700,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(66,045)	(80,709)
Net cash (used in) financing activities	(66,045)	(80,709)
Net increase/(decrease) in cash and cash equivalents held	1,783,357	(149,730)
Cash and cash equivalents at beginning of year	2,151,561	2,301,291
Cash and cash equivalents at end of financial year	5 3,934,918	2,151,561

Environmental Justice Australia 2023

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Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers Environmental Justice Australia as an individual entity. Environmental Justice Australia is a not-for-profit Company, registered and domiciled in Australia.

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation the *Fundraising Act 1998* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue and other income

The company is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the company is required to consider whether any other financial statement elements should be recognised (eg financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

The company is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Operating grants, donations and bequests

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is 'enforceable' and has 'sufficiently specific' performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the grant
- Recognises a contract liability for its obligations under the agreement
- Recognises revenue as it satisfies its performance obligations.

Environmental Justice Australia 2023

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Notes to the Financial Statements For the Year Ended 30 June 2023

1. Significant accounting policies (Continued)

Revenue recognition (Continued)

Where the contract is not 'enforceable' or does not have 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 1058 where the company:

- Recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If contract liability is recognised as a related amount above, the Company' recognises income in profit or loss when or as it satisfies its obligations under the contract.

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.

Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Environmental Justice Australia 2023

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Notes to the Financial Statements
For the Year Ended 30 June 2023

1. Significant accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 for further discussion on the determination of impairment losses.

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows::

Fixed asset class	Depreciation rate
Office Equipment	25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Environmental Justice Australia 2023

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Notes to the Financial Statements

For the Year Ended 30 June 2023

1. Significant accounting policies (Continued)

Employee benefits

Short-term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements

For the Year Ended 30 June 2023

1. Significant accounting policies (Continued)

Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Fair value through other comprehensive income - Equity Instruments

The Company has a number of investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal, any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income.

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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Leases

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements For the Year Ended 30 June 2023

1. Significant accounting policies (Continued)

Leases (Continued)

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, the estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. Critical accounting judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates

Useful lives of property, plant and equipment

As described in Note 1, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

Fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on the quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Critical accounting judgements, estimates and assumptions (Continued)

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements For the Year Ended 30 June 2023

3. Revenue

	2023	2022
	\$	\$
Grants		
- Coal	841,780	305,404
- Climate	770,820	431,696
- First Nations	210,000	150,000
- Ecosystems	-	60,000
- Other	194,468	134,977
Total Grants **	2,017,068	1,082,077

** Total grants in 2022 financial year decreased from \$1,707,094 to \$1,082,077 as balances were reclassified to donations to provide more relevant disclosure.

4. Expenses

	2023	2022
	\$	\$
IT expense		
- Hardware	50,905	16,189
- Maintenance	179,339	117,936
- Upgrades	20,728	25,159
	250,972	159,284
Legal expense		
- Disbursements/Casework **	1,030,307	311,237
- EJA Grants	32,201	30,883
- Memberships	15,721	17,105
- Practising Certificates	6,817	5,133
	1,085,046	364,358
Finance expenses		
- Interest expense	13,008	4,107
- Bank charges	2,034	1,409
	15,042	5,516

** 2023 figure included \$879,820 of disbursements that were paid to EJA as part of a one-off costs settlement (revenue is shown under Client Reimbursements). These were paid on to the barristers and cost experts in the matter.

Environmental Justice Australia 2023

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Notes to the Financial Statements For the Year Ended 30 June 2023

5. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank	3,934,822	2,151,361
Cash on hand	96	200
	<u>3,934,918</u>	<u>2,151,561</u>

6. Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	91,580	70,009
Accrued income	5,300	-
Total current trade and other receivables	<u>96,880</u>	<u>70,009</u>

7. Other assets

	2023	2022
	\$	\$
Term deposits	20,000	26,000
Prepayments	-	7,404
Total current trade and other receivables	<u>20,000</u>	<u>33,404</u>

8. Property, plant and Equipment

PLANT AND EQUIPMENT

Office equipment

At cost	47,666	54,951
Accumulated depreciation	(46,027)	(49,494)
Total plant and equipment	<u>1,639</u>	<u>5,457</u>
Total property, plant and equipment	<u>1,639</u>	<u>5,457</u>

Plant and equipment movement:

	Office Equipment	Total
	\$	\$
Balance at the beginning of the year	5,457	5,457
Additions	-	-
Depreciation	(3,818)	(3,818)
Carrying amount at the end of the year	<u>1,639</u>	<u>1,639</u>

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements For the Year Ended 30 June 2023

9. Financial Assets

	2023	2022
	\$	\$
CURRENT		
Main Cash account (a)	436,160	700,000
NON-CURRENT		
Financial assets at fair value through other comprehensive income		
Listed Securities and Managed Funds (b)	1,114,561	-
Total financial assets	1,550,721	700,000

(a) Cash held at investment fund account.

(b) All listed securities and managed funds are quoted on the Australian Stock Exchange. Shares in listed corporations have no fixed maturity date or coupon rate.

These financial assets are kept by Praemium SMA. They maintain a portfolio of financial assets with the portfolio valuation report.

The Future Fund was established to build an endowment that will provide long-term financial viability, sustainability and independence to the Company.

10. Leases

Company as a lessee

The Company has one property lease for the office at Carlton. This is non-cancellable with 5 years terms (including the option to extend for 5 years). Rental is payable monthly in advance and expires in February 2028.

Right-of-use assets

	Leased Buildings	Total
	\$	\$
AASB 16 related amounts recognised in the balance sheet		
Leased Buildings	327,988	327,988
Accumulated depreciation	(21,866)	(21,866)
Total Right of use asset	306,122	306,122
<i>Movement in carrying amounts:</i>		
Balance at 1 July 2022	46,761	46,761
Additions during the year	327,988	327,988
Amortisation during the year	(68,627)	(68,627)
Total Right-of-Use Asset	306,122	306,122
Amortisation during the period	(68,627)	(68,627)
Net carrying value at the end of the period	306,122	306,122

Environmental Justice Australia 2023

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10. Leases (Continued)

Lease liabilities

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	57,486	252,288	-	-	309,774
2022					
Lease liabilities	47,831	-	-	-	47,831

	2023	2022
	\$	\$
Current	57,486	47,831
Non-Current	252,288	-
Total lease liabilities	309,774	47,831

The Company has applied the practical expedient to all COVID-19 related rent concessions that meet the following conditions:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2023 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2023 and increased lease payments that extend beyond 30 June 2023); and
- there is no substantive change to other terms and conditions of the lease.

The practical expedient allows changes in lease payments resulting from the rent concession to be treated as a variable lease payment through the statement of profit or loss and other comprehensive income, rather than as a lease modification.

Environmental Justice Australia 2023

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Notes to the Financial Statements For the Year Ended 30 June 2023

11. Trade and Other Payables

	Note	2023 \$	2022 \$
CURRENT			
Trade payables		119,360	57,009
Security deposit payable		-	16,000
PAYG payable		111,128	80,888
Other payables		45,684	27,419
Accrued expenses		12,000	15,371
		288,172	196,687

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12. Provisions

	2023 \$	2022 \$
Current		
Annual leave	197,954	133,872
Long service leave	98,387	62,854
	296,341	196,726
Non-current		
Long service leave	7,977	10,742
	304,318	207,468

- (a) The company registered with the Portable Long Service Leave Scheme administered by the Portable Long Service Leave Authority. With this Scheme, eligible staffs from Victoria may transfer their long service leave entitlements to other eligible employers. Staff remuneration is reviewed, and relevant details provided to the Authority which calculates the employer levy before payments are made, each quarter.

Movement of provision for employee benefits:

Opening balance	207,468	162,776
Provisions raised / (used) during the year – net	96,850	44,692
Closing balance	304,318	207,468

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Environmental Justice Australia 2023

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Notes to the Financial Statements

For the Year Ended 30 June 2023

13. Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks and investment accounts, short-term and long-term investments, accounts receivables and payables and lease liabilities.

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

	2023	2022
	\$	\$
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	3,934,918	2,151,561
Trade and other receivables	96,881	70,009
Investment - Main Cash account	436,160	700,000
Investments in financial assets designated at fair value through Other Comprehensive Income (OCI)		
Listed Securities and Managed Funds	1,114,561	-
Total financial assets	5,582,520	2,921,570

Financial liabilities

Financial liabilities measured at amortised cost:

Trade and other payables	288,172	196,687
Lease liabilities	309,774	47,831
Total financial liabilities	597,946	244,518

14. Fair Value Measurements

	2023	2022
	\$	\$
<i>Recurring fair value measurements</i>		
<i>Financial assets</i>		
Financial assets at fair value through other comprehensive income		
Listed Securities and Managed Funds (a)	1,114,561	-

(a) For investments in listed securities, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

15. Reserves

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets at fair value through other comprehensive income.

16. Members' Guarantee

The Company is registered with the *Australian Charities and Not-for-profits Commission Act 2012* 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 Company. At 30 June 2023 the number of members was 63 (2022: 72).

Environmental Justice Australia 2023

ABN: 74 052 124 375

Notes to the Financial Statements For the Year Ended 30 June 2023

17. Reconciliation of Net Cash Flows

	2023	2022
	\$	\$
Surplus after income tax	2,431,783	465,101
<i>Non-cash flows in profit:</i>		
Depreciation	3,818	7,713
Amortisation - ROUA	68,627	70,411
<i>Changes in assets and liabilities:</i>		
Increase/(Decrease) in trade and other payables	91,486	17,930
Increase/(Decrease) in provisions	96,850	44,692
(Increase)/Decrease in trade and other receivables	(26,870)	25,132
(Increase)/Decrease in other assets	13,404	-
Net cash provided by operating activities	2,669,098	630,979

18. Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The remuneration paid to key management personnel of the Company is \$323,625 (2022: \$355,988).

19. Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor of the Company for:		
- Auditing services (by Nexia Melbourne Audit Pty Ltd)	15,500	-
- Other services (by Nexia Melbourne Audit Pty Ltd)	1,500	-
- Auditing services (by Sean Denham & Associates)	-	6,000
- Trust account audit (by BPR Audit)	1,420	1,250
Total	18,420	7,250

20. Contingencies

Under the new lease agreement in 2023, the Company paid a \$20,000 deposit to the landlord, Australian Conservation Foundation, which is held in a term deposit on behalf of EJA. This is different to the 2022 financial year situation where EJA held a term deposit secured by a guarantee of \$10,000 as security for the original lease, and also had a contingent liability of \$16,000 for the difference in deposit value between the original leased tenancy (3.03) and the tenancy EJA took on in 2020 under a transfer of lease (3.01). The \$10,000 security guarantee has been discharged.

Environmental Justice Australia 2023

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Notes to the Financial Statements

For the Year Ended 30 June 2023

21. Commitments

Retained earnings includes the following commitments in relation to funds received. The amounts have not been recognised as liabilities since there is either no enforceable obligation, or the performance obligations under the contract are not sufficiently specific under AASB 15.

	2023 \$	2022 \$
Non-government funding and philanthropic grants and major donations		
Funds committed in FY2020 to specific projects for FY2022	-	347,170
Funds committed in FY2021 to specific projects for FY2022	-	486,620
Funds committed in FY2022 to specific projects for FY2023	873,280	-
Funds committed for delivering specific EJA projects in future years	873,280	833,790

22. Related Party Transactions

No transactions were entered into with related parties in the 2023 financial year (2022: none).

23. Economic Dependence

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 it 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 continue working closely with the relevant stakeholders to secure the necessary funding for it to execute its principal activities.

24. Events After the End of the Reporting Period

No matters or 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.

25. Company Details

The registered office and principal place of business of the company is:

Environmental Justice Australia
Level 3
60 Leicester Street
Carlton VIC 3054

Environmental Justice Australia

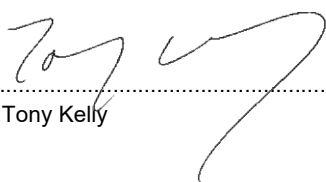
ABN: 74 052 124 375


Directors' Declaration

In accordance with a resolution of the Directors of Environmental Justice Australia, the directors of the company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 7 to 25, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards – Simplified Disclosures applicable to the entity; and
 - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2023 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Director

 Tony Kelly

Director

 Ann-Maree Smith

Dated this21..... day ofSeptember..... 2023

Independent Auditor's Report to the Members of Environmental Justice Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Environmental Justice Australia (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Environmental Justice Australia, is in accordance with Division 60 of 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 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information in Environmental Justice Australia's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. The annual report is expected to be made available to us after the date of this independent auditor's report.

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd, Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.



Responsibilities of the directors for the financial report

The directors of Environmental Justice Australia are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary 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.

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

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 directors.
- Conclude on the appropriateness of the directors' 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 registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are 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 our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark ink that reads 'Nexia'.

**Nexia Melbourne Audit Pty Ltd
Melbourne**

A handwritten signature in dark ink that appears to read 'Ben Bester'.

**Ben Bester
Director**

Dated this 21st day of September 2023

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