



**ANNUAL
REVIEW** 2013-
2014



Environmental
Justice Australia

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Tom Ventura, Steve Wadsworth, Louise Wolfers.

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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.

Chairperson's report

What a roller-coaster year!

In July 2013, the outgoing Labor government threw the network of Environmental Defenders Offices (EDOs) a lifeline in the form of an unprecedented \$10M of additional funding over four years. At EDO Vic, as recipients of \$1M, we shared some wry smiles of gratitude around the board table.

But the celebrations did not last long. In December 2013, the new Attorney-General, Senator the Hon. George Brandis QC, cancelled all Commonwealth government funding support for EDOs, withdrawing money under arrangements in place since 1992 in addition to the funding boost offered by his predecessor.

We were disappointed but not surprised: the EDOs' critics had been working hard behind the scenes to use our very effectiveness against us. Commenting on the withdrawal of EDOs' funding, the Hon. Mark Dreyfus QC MP, the Shadow Attorney-General, said in a recent speech:

We know from documents released under freedom of information that Senator Brandis's decision to completely defund the EDOs came just weeks after the NSW Minerals Council wrote to him to complain about EDO advocacy. In Senate Estimates, Senator Brandis admitted that there had been no analysis of EDO funding arrangements done before the Government terminated all funding.

Suddenly, we were facing a genuine "budget emergency". As with every good crisis, it was also an opportunity. The board believed the time was right to adopt a new name – Environmental Justice Australia – and a new model: the citizen-funded, public interest environmental law firm.

Our launch on May Day kicked off our fundraising with the announcement of a couple of generous grants from the Reichstein Foundation and the Australian Communities Foundation. We've invested resources in building our fundraising strategy and capacity.

In the face of all this uncertainty, our lawyers continued to pursue the ideas of environmental justice through legal representation, high-quality reports and law reform submissions. We called for a judicial inquiry into the Hazelwood Mine Fire and represented Environment Victoria at the subsequent hearings. And if you haven't yet read our report, *Clearing the Air*, on why Australia urgently needs effective national air pollution laws, I would urge you to do so. You'll see why the citizens of Morwell have good reason to be concerned about the pollutants they were exposed to during the mine fire. This annual review contains more examples of the great work done by staff, including our Healthy Water Ecosystems Project, funded by the Lord Mayor's Charitable Foundation, and the challenge to the Victorian Government's "scientific" trials of alpine grazing for the Victorian National Parks Association.

All of this has taken a considerable effort from our committed staff, volunteers and board members. In thanking everyone involved, I'd particularly like to commend and thank Brendan Sydes, our CEO, for his inspiring vision, quiet leadership and continuing dedication to our organisation during these interesting times. Of course, we couldn't have done it without you, our members, donors and other supporters, and we're grateful for your enthusiastic and continuing support. We thank you, and look forward to a challenging but exciting year ahead, as we consolidate the hard work of the last year and fight for justice for the environment and the people of Australia.

Megan Utter

"We will continue to be strong advocates for the many people in our community who share our concern for effective environment protections, and speak up for those who oppose the dismantling of climate change institutions and laws, and the current handing over of federal environmental safeguards to the states." – BRENDAN SYDES, CEO



Timeline

JULY	
AUGUST	
SEPTEMBER	<ul style="list-style-type: none"> › We obtain legal advice for the Australian Conservation Foundation from Stephen Keim SC that reveals the Clean Energy Finance Corporation is obligated by law to ignore the Abbott government’s demands that it cease making loans. › Victorian government passes amendments to the Major Transport Project Facilitation Act to ease the way for controversial projects like East West Link.
OCTOBER	<ul style="list-style-type: none"> › We take the Victorian government to court to force them to prepare action plans for four endangered species. The government settles, agreeing to prepare proper assessments.
NOVEMBER	<ul style="list-style-type: none"> › First rollbacks of the Environment Protection and Biodiversity Conservation Act begin.
DECEMBER	<ul style="list-style-type: none"> › Federal government announces all federal funding will be withdrawn from Environment Defenders Offices around the country.
JANUARY	
FEBRUARY	<ul style="list-style-type: none"> › Hazelwood mine fire begins. We call for an inquiry.
MARCH	<ul style="list-style-type: none"> › Victorian government announces inquiry into Hazelwood mine fire. › “Repeal Day”
APRIL	<ul style="list-style-type: none"> › VCAT announces it will protect some of the Latham’s Snipe habitat contested in Port Fairy.
MAY	<ul style="list-style-type: none"> › Environmental Justice Australia is launched. › Clearing the air, our report into air pollution in Australia, released. › Alpine grazing case begins.
JUNE	



How we work

EMPOWERMENT	LITIGATION	POLICY AND LAW REFORM
<ul style="list-style-type: none"> › Helping communities understand the law and have a voice in legal processes 	<ul style="list-style-type: none"> › Taking legal cases to court › Legal advice to community groups and environmental NGOs 	<ul style="list-style-type: none"> › Research to determine how laws need to change › Campaigns to change the law
<ul style="list-style-type: none"> › Educating communities on their legal rights › Supporting grassroots campaigns 	<ul style="list-style-type: none"> › Representing communities in court › Running test cases. 	<ul style="list-style-type: none"> › Making submissions to inquiries › Campaigning for law reform
IMPACT: <ul style="list-style-type: none"> › Australians understand and participate in legal processes affecting their environment 	IMPACT: <ul style="list-style-type: none"> › Environment protected using existing laws › Governments and corporations held to account 	IMPACT: <ul style="list-style-type: none"> › Laws improved to provide the best protection for environment and communities
OUTCOMES: <ul style="list-style-type: none"> › Development of environmental legal principles › Improved environmental protection › Increased democratic participation › Environmental justice: A fairer distribution of environmental harms and benefits among all people › Environmental justice: Participation and recognition 		
END RESULT: Environmental justice and ecological sustainability		

Our areas of work

CLIMATE CHANGE	NATURE	HEALTHY COMMUNITIES
<ul style="list-style-type: none"> › Clean energy finance corporation advice › Expert submissions to inquiries 	<ul style="list-style-type: none"> › Alpine grazing case › Latham's Snipe case › Wombat Forest case 	<ul style="list-style-type: none"> › Clean air campaign › Water citizenship project › Hazelwood mine fire



Healthy communities

Clearing the air

There's nothing more essential to life than the air that we breathe. We believe that clean air is a fundamental right for all Australians and something we should all be able to rely on. Unfortunately, many people around the country are exposed to unacceptable levels of air pollution.

In Victoria's Morwell, a fire at the Hazelwood coal mine left residents suffering from thick clouds of smoke. Agencies took some time to collect information and communicate it to the community of Morwell. EPA monitoring took too long and health warnings were inadequate and confusing.

In Newcastle and Brisbane, residents who live along train lines are exposed to coal dust from coal trains. Breathing in the fine dust is a known health hazard.

In Melbourne's Yarraville, locals have to endure thousands of diesel trucks thundering through residential streets each day, raising concerns about the effect on children of exposure to the fumes.

Scientists estimate that over 3000 Australians die every year from exposure to urban air pollution, and that more than 27,000 hours of productive life are lost for the same reason.

The answer to this major problem is simple: We need national clean air laws, and we need them now. The states have had responsibility for setting acceptable levels of pollution. The Council of Australian Governments (COAG) has been prevaricating about regulating air pollution for more than a decade.

Environmental Justice Australia produced a report, *Clearing the air: Why Australia urgently needs effective national air pollution laws*, describing the problem and its history, telling first-hand stories from affected residents, and laying out our proposed solution. We also created a media kit for grassroots groups around the country, explaining how to use the report to support their existing work, and providing them with access to our infographics and other materials to assist in gaining media in their area.

Released on 1 May, *Clearing the Air* generated excellent media coverage both at a national and a local level. Nicola Rivers, our Director of Advocacy and Research, was interviewed in depth by Radio National's Breakfast program to explain the big issues.

At the same time, grassroots groups like Maribyrnong Truck Action Group were able to use the report to gain local media in their area, placing their local problems in a national context and helping to build the case for national laws.

**UP TO \$8.4
BILLION**

**ANNUAL ESTIMATED
HEALTH COSTS
OF AIR POLLUTION
IN SYDNEY**

**TOTAL ECONOMIC COST
IN THE YEAR 2000 OF AIR
POLLUTION FROM MOTOR
VEHICLES ALONE WAS**

\$2.4 BILLION







Nature

Alpine grazing case: Representing Victoria’s community and safeguarding the high country

In March 2014, the Victorian government returned cattle to Victoria’s sensitive high country as part of a “scientific trial” to determine whether grazing reduces the occurrence of bushfire.

There is already a wealth of scientific literature indicating that it doesn’t. There’s also a wealth of literature that demonstrates the harm that cattle do to various alpine species of plant and animal, and to the landscape itself.

Environmental Justice Australia is representing the Victorian National Parks Association in an important test case, arguing that the National Parks Act does not allow the Victorian government to permit grazing in the Alpine National Park.

The Victorian National Parks Association did not take the decision to go to court lightly. They felt they were left with no option if they were to protect the high country from yet another politically motivated attempt to allow cattle to graze there.



The Victorian National Parks Association’s major reasons for objecting to the approval of the trial are:

- > there has been no call for this trial from the Bushfires Royal Commission, fire managers or the scientific community.
- > there is still no peer-reviewed scientific design for the trial.
- > there is already considerable peer-reviewed scientific evidence that cattle grazing does not significantly reduce alpine fires.
- > the site contains rare native grasslands and a nationally threatened orchid.
- > there has been no pre-trial fauna survey.
- > there has been no consideration of a location outside the national park.
- > more than 60 years of research shows cattle damage alpine wetlands and the headwaters of many rivers, introduce weeds, cause erosion and threaten nationally listed rare plants and animals.

On 16 May, Environmental Justice Australia and the Victorian National Parks Association commenced court proceedings in the Supreme Court of Victoria, challenging the lawfulness of the Victorian government’s reintroduction of cattle under the Victorian National Park Act. 3 June saw the first directions hearing in the case.

Environmental Justice lawyers, with the help of volunteers, have been working hard to brief barristers, prepare evidence and get the case ready for the final hearing. We hope to receive a decision by the court before the end of the year, when the cattle are due to go back into the national park.

LEFT: GRAZING IN VICTORIA’S SENSITIVE HIGH COUNTRY CAUSES SERIOUS DAMAGE TO THE LANDSCAPE. IMAGE COURTESY OF PHILIP INGAMELLS, VNPA



HOW WE MAKE A DIFFERENCE

This case is a good example of the kind of work we do and why it is important. The Victorian National Parks Association (VNPA) have been fighting cattle grazing in the Alpine National Park for decades. Their campaign had been successful, with cattle being removed from the national park in 2005. Unfortunately, this decision was reversed and science disregarded when in 2014 the government commenced its cattle-grazing trial. The decision by the government was made after a long and effective campaign by the VNPA, leaving the VNPA with no other option but to go to court.

The courts are a critical way for the community to hold governments accountable. We can only take legal action against governments when it looks as they're not complying with their own laws. The Alpine Grazing case is a perfect example: we are arguing that the government is going beyond what the National Parks Act allows it to do. If communities can't afford to go to court, this critical accountability mechanism is lost.

Without us, this option wouldn't exist for the VNPA. We are able to provide the VNPA with legal expertise that is accessible and affordable. We also bring expertise to the case that other lawyers can't provide: this includes relationships with barristers who think our work is important and are willing to work for reduced rates; expertise on the environment; and an understanding of environmental campaigning, gained from years of working side by side with communities and environment groups.



**DIRECTOR OF LITIGATION
FELICITY MILLNER**



Healthy communities

Water citizenship

Water is vital for life, for both humans and non human species alike. With agriculture and nature both dependent on water, and climate change causing changes to water flows, water resource management is becoming an increasingly contested area. Communities need to be involved in decision-making about water, not just as “consumers” but as citizens and active participants in the governance of this important resource.

Funded by an exploration grant from the Lord Mayor’s Charitable Foundation, our Healthy Water Ecosystems project aimed to investigate the ways in which laws, regulatory systems and practices facilitate or constrain community involvement, especially in the achievement of good environmental outcomes. This research will then lead us to suggest ways that community participation can improve environmental outcomes.

This innovative project has three key areas. An initial discussion paper around the main issues, Healthy water ecosystems: community involvement in water governance, has been completed and is available on our website. This paper scopes out the complex systems of laws and regulations governing water allocation, identifies the institutions involved in various water-related processes, and lists the opportunities and barriers to community participation. It also suggests ways in which concerned community members can approach various water allocation issues.

The next part of the project focusses on face-to-face meetings with community representatives from across Victoria to listen to their experiences and concerns with the decision-making processes around water in their local areas. We ran a series of workshops across Victoria with community environment groups and individuals involved in water planning and consultation processes, including events in Geelong, Apollo Bay, Bairnsdale, and others.

We also attended a Canberra workshop run by Healthy Rivers Australia. These workshops will give us valuable insight into the issues facing communities who wish to participate in water management processes. (Further workshops are planned in Horsham, Shepparton, and with Indigenous Traditional Owners in northern Victoria.)

Environmental Justice Australia is uniquely placed to run a project like this. Our expertise in water law and governance, combined with our long history of involvement in water management issues such as the Murray-Darling Basin reform process and environmental water reforms, make us experts on this complex legal area.

Our connections across Victoria with grassroots community groups means we have excellent networks and are ideally placed to bring together knowledge held and issues faced by local communities as they attempt to be part of water management processes. We also have good connections with thought leaders on this issue in academia and beyond. We are at the confluence of thinking and practice in this area. We are able to draw together numerous strands of experience from community groups; academia; environmental NGOs; and government institutions such as state and federal environment departments and catchment management authorities.

The final part of the project, which will be delivered in the 2014–15 financial year, focusses on sharing the lessons from our research in a final report, and suggesting improvements that can be made to the regulatory or legal framework as well as practical interventions to facilitate genuine community involvement in decision-making around water and the environment.





Healthy communities

Hazelwood mine fire: Helping community members ask the questions

In February 2014, as bushfires raged across Victoria, the Hazelwood coal mine caught fire. The 12,000 residents in the town of Morwell suffered drastic air pollution as a result, with the fire releasing toxic clouds of smoke for six weeks. The effect was drastic, with Australia Post no longer delivering mail and the local courthouse closed. Authorities released conflicting information, initially saying people could safely remain in town, while later the Chief Medical Officer of Victoria admitted in a radio interview that if she had a young child and lived in Morwell, she would leave as soon as possible.

It was days before the EPA began to release daily pollution monitoring information. When it did so, it simply provided numbers for readings of particulate pollution but no context or interpretation of what they meant, and no advice for residents about how to act.

Our Director of Litigation, Felicity Millner, went to Morwell at the height of the crisis, meeting local people and listening to their concerns. “A lot of questions were raised. Was the mining company following their approved work plan? Who was responsible for communicating with residents about the effects of a fire in a mine? What was the role of the EPA? We came to believe that only a judicial inquiry could provide the answers the people of Morwell deserved.”

We spent several weeks calling for a judicial inquiry with robust terms of reference. We were delighted when the Premier announced a judicial inquiry.

“Environmental Justice Australia’s legal advice and representation helped us ensure the people of Victoria had a voice in the Inquiry.”

– NICK ABERLE, SAFE CLIMATE CAMPAIGN MANAGER, ENVIRONMENT VICTORIA.

When the Inquiry convened in June, Environment Victoria was given leave to appear. We represented Environment Victoria, sourcing highly skilled barristers to ask the questions that mattered. We believed the key questions the Inquiry should answer were:

- › whether the mine approvals and regulations were adequate to protect the community against incidents like the Hazelwood Mine Fire;
- › if they were adequate, why did GDF Suez not comply with the regulations, and why the Department of State Development, Business and Innovation did not require compliance?
- › if they were not adequate, what regulations need to be changed to ensure that this does not happen again in future?
- › was the response by the government to the health risks posed by the fire to the people of Morwell good enough?

These questions were all addressed at the Inquiry and we eagerly await the Inquiry’s report.

At the Inquiry, experts who gave evidence said it was foreseeable that fire could have taken hold in the areas where it did – but no one wanted to take responsibility for this.

The Department of State Development, Business and Innovation, the Department responsible for approving and regulating mining in Victoria, said in their evidence that regulating fire risk in mines was not their problem, it was WorkCover’s job. They also said that it was up to the mining company, now GDF Suez, to decide when and how they go about rehabilitating the site, including those areas of the mine closest to the town of Morwell, where one of the fires first took hold.

WorkCover said that they only regulate risks from mining at the Hazelwood mine site. They said it was not their job to regulate risks the area of the mine where the fire started, because it had not been mined for years, and leaving the coal exposed was not a mining activity. They also said it was up to the mine’s owner, GDF Suez, to work out the risk to the community and “balance” that with the risk to their profits.



When asked if they would be willing to rehabilitate significantly greater areas of the mine, sooner, to make fires like the one in February less likely, the mine's owner, GDF Suez, indicated that they were unwilling to do that because it would be too expensive and might interfere with "mine sequencing".

The evidence given to the Inquiry made it clear that, when it comes to protecting communities from the side effects of mining, the law is left lacking.



OUR LEGAL REPRESENTATION HELPED THE PEOPLE OF VICTORIA TO HAVE A VOICE IN THE HAZELWOOD MINE FIRE INQUIRY.



Nature

Protecting habitat for the Latham’s Snipe

For 14 years, Don Stewart has been fighting to protect an important piece of Latham’s Snipe habitat, the Powling Street Wetlands in Port Fairy, from a large housing development. Groups of shy, migratory snipe return every year from their nesting sites in Japan, to rest and feed at the site. The spot is a gathering place for some of the largest groups of snipe recorded.

“Our group, the South Beach Wetlands and Landcare Group, wanted to protect the wetlands and the area abutting them for the snipe,” explains Don. “We had the important local knowledge about the area, but we needed legal representation and expertise to ensure we could put our case in the strongest possible way.”

Environmental Justice Australia provided that assistance, representing the group before VCAT and arranging an ecologist and water engineer to prepare expert witness reports and give evidence at the hearing. The most recent hearing, in April, saw a partial victory, with the tribunal ordering a reduction in the number of lots to be developed and conditions such as a protective fence around the snipe habitat.

“The only home worth having on these parts of the site is the one that’s already there — the home of a wading bird,” says Don. “This decision sensibly allocates the best and largest middle ephemeral wetland, which will flood as sea levels rise, to the birds. It’s a better outcome, and one that couldn’t have been achieved without representation and advice from Environmental Justice Australia.”





STANDING UP FOR THE CLEAN ENERGY FINANCE CORPORATION

As part of the climate change measures put in place by the Gillard government, \$10 billion was provided to fund the Clean Energy Finance Corporation, a government “green bank” that provided loans to renewable energy enterprises such as wind farms and solar plants. This was crucial not just to provide start-up money for renewable energy projects, but also in legitimising them and connecting them with more conventional finance provided by banks and other institutions.

In August 2013, then opposition leader Tony Abbott wrote to the Chair of the Clean Energy Finance Corporation, Jillian Broadbent, requesting that the organisation stop making loans and assessing new projects. A Coalition government would, he announced, close down the Clean Energy Finance Corporation as soon as possible, under the proviso that it was “crowding out” the private sector and using government money to back “highly speculative” projects.

When the Abbott government came to power, they quickly acted to dismantle our climate change infrastructure. After closing down the Climate Commission, they ordered the Clean Energy Finance Corporation to stop work immediately.

We obtained crucial legal advice that showed the Clean Energy Finance Corporation was obliged by law to continue its work of investing in renewable energy. Because the organisation was created by an Act of Parliament, it could not be shut down so easily without laws being completely rewritten.



Thanks and acknowledgements

Environmental Justice Australia warmly thanks the following organisations for their financial and in-kind support:

Australian Communities Foundation
DLA Piper
Doctors for the Environment Australia
Lord Mayor’s Charitable Foundation
Maddocks
Nature Conservation Council
Paoli Smith Creative Agency
Reichstein Foundation
Victoria Law Foundation

INTERNS & OTHER VOLUNTEERS

Alana Bayliss
Mitchell Brennan
Jennifer Burnett
Lisa Burton
Michael Coleman
Luisa Consiglio
Jeff Cranston
Josephine De Costa
Elanor Fenge
Madeleine Figg
Emmalene Gottwald
Dion Hawkins
Prue Healy
Naomi Hickey-Humble
Laura Holmes
Simone Karmis
John Le Feuvre
Ian Lieblich
Rachel Macleod
Jock Martin
Millie Maurodis
Chris Michaelides
Katy Milne
Jane Moulin
Ben Muller
Lloyd Murphy
Cindy Nguyen
Camilla Ottaway
Beatrice Paull
Kasia Pawlikowski
Michael Robson

Peter Sublet
Orietta Surace
Holly Watson-Reeves

INDIVIDUAL DONATIONS: \$1000+

The Angel Fund
Susan Brennan SC
Dockers Plains Pastoral Company
Environment East Gippsland
Bernie Fox and Sue Hayman-Fox
The Henty Family
Chris Johnston
Barbara and Dennis Leavesley
Bruce Lindsay
Sharon Mason
Sarah Minifie
Cammai Nguyen
Jack O’Connell AO
Gayle Osborne
Jane Pammer
John and Robin Pettigrew
Marjorie White
Anonymous Donors

INDIVIDUAL DONATIONS: \$5000+

Aesop

INDIVIDUAL DONATIONS: \$15000+

2 gifts from private individuals

We also thank the following individuals for their valuable in-kind support

Barnaby Chessell
Dr Birgita Hansen
Stephen Keim SC
Caroline Kenny QC
Simon Molesworth QC
Eammon Moran QC
Richard Niall QC
Lisa Nichols
Andrew Prout
Michelle Quigley QC
Jennifer Trehwella
Andrew Walker
Nick Wood
Chris Wren QC
David Yarrow

Environmental Justice Australia Awards

These awards are our way of recognising how much we value the work of others and also acknowledging the extra mile that some go in supporting us and what we stand for.

PRO BONO CONTRIBUTION AWARD

Since we began, the EDO relied very heavily on legal and other professionals to support our work on a pro bono basis. We couldn’t have done what we did 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.

2013 recipient:
Tiphane Acreman, barrister

VALUABLE VOLUNTEER AWARD

The EDO benefited greatly from the enthusiastic contribution of a large number of enthusiastic law student volunteers. Volunteers supported us through providing legal research and administrative support during their university year, by undertaking internships over summer and winter breaks and also by helping us out with managing events and workshops.

2013 recipients:
Elanor Fenge and Laura Holmes

THE ENVIRONMENTAL JUSTICE AWARD

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.

2013 recipient: Yasmin Kelsall

Our people

Environment Defenders Office (Victoria) Limited

ABN 74 052 124 375

Financial Report For the Year ended 30th June 2014

Directors' Report

Your directors present this report on the Environment Defenders Office (Victoria) Ltd. for the year ended 30 June 2014.

DIRECTORS

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

- › Samuel Thomas Broughton
- › Andrew Spenser Cox (appointed 17/12/13)
- › Richard Dominic Hilton
- › Thea Margaret Lange
- › Sally Romanes
- › Elizabeth McMeekin (appointed 18/3/14)
- › Megan 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 profit from ordinary activities after income tax amounted to \$12,440.

INFORMATION ON DIRECTORS

Samuel Thomas Broughton

Diploma Management Practices – Marketing, Certificate of Direct Marketing

Non-executive Director, Vice-Chairperson

Sam Broughton has worked within the not-for-profit sector in the areas of fundraising, marketing and communications since 1983. During his career Sam has held senior positions with national organisations such as Australian Red Cross, The Salvation Army and CARE Australia. He currently provides fundraising related consultancy services and works part-time for the Eastern Health Foundation.

Andrew Spenser Cox

BSc, Grad Dip (Environmental Studies)

Non-executive Director

Andrew Cox has actively worked and volunteered in the environmental sector since 1991 including contributions through about twenty management and governance roles in government and non-government organisations. He is currently CEO of the Invasive Species Council, board member of the Weed Society of Victoria, delegate of the Council of Australasian Weed Societies and president of 4nature Inc.

Richard Dominic Hilton

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, Honorary Treasurer

Richard Hilton is an Executive 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.

Directors' Report

Thea Margaret Lange

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

Non-executive Director, Secretary

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.

Sally Margaret Romanes

LLB (Hons) Exon

Non-Executive Director

Sally Romanes is a consultant and artist. By training a corporate and commercial lawyer she now works as a consultant on specific projects ranging from the arts to business transactions, in both for profit and not for profit areas. She has been a Director of the not for profit Abbotsford Convent Foundation since operations began in 2004, 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

Libby started her working life with the Australian Conservation Foundation and continued working there for over 9 years. After a number of years spent in working commercial organisations including direct marketing advertising agencies she moved into an agency specialising in direct response fundraising and consulting. Her role was to develop direct marketing campaigns for each of these clients as well as develop long term donor retention and acquisition strategies.

Libby is currently the Client Relationship Manager for Laser Computer Services, a specialist provider of direct marketing services. In addition she continues her fundraising consulting role for a number of not-for-profit organisations including Melbourne City Mission, Foodbank Victoria and Walk for Life.

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, 14 meetings of directors were held. Attendances by each director were as follows:

DIRECTORS	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Samuel Thomas Broughton	14	11
Andrew Spenser Cox	8	7
Richard Dominic Hilton	14	9
Thea Margaret Lange	14	6
Elizabeth Jane McMeekin	5	4
Sally Margaret Romanes	14	10
Megan Katherine Utter	14	14

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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$9,700 (2013: \$9,900).

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.

DIVIDENDS PAID OR RECOMMENDED

No Dividends were paid or are recommended for payment, and, in any case, are not permitted to be paid as the company is limited by guarantee.

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 2014 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: 3/10/14



Director

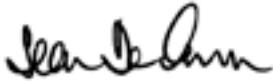
Dated: 3/10/14

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATION ACT 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2014 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: **3 OCTOBER 2014**

Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue			
Grants		513,871	512,972
Fee for service		52,973	29,464
Donations, Fundraisings, Lectures		240,537	110,897
Sundry Income		6,678	26,006
Interest Received		12,729	13,054
		<u>826,788</u>	<u>692,393</u>
Expenditure			
Employee Benefits expenses		592,562	527,397
Occupancy expenses		44,982	45,442
Depreciation expense		4,120	3,949
Legal Practice expenses		3,644	5,796
IT expenses		28,720	13,347
Consultants expenses		61,429	13,946
Travel expenses		15,741	8,179
Sundry expenses		63,150	38,881
		<u>814,348</u>	<u>656,937</u>
Surplus before income tax for the year		12,440	35,456
Income tax expense	2	-	-
Surplus after income tax for the year		12,440	35,456
Total other comprehensive income		-	-
Total comprehensive income for the year		<u>12,440</u>	<u>35,456</u>

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	3	220,888	96,983
Trade and other receivables	4	28,184	10,863
Financial Assets	5	192,958	290,000
TOTAL CURRENT ASSETS		442,030	397,846
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,478	6,789
TOTAL NON-CURRENT ASSETS		4,478	6,789
TOTAL ASSETS		446,508	404,635
CURRENT LIABILITIES			
Trade and other creditors	7	33,016	13,226
Amounts received in advance	8	75,463	79,878
Provisions	9	33,254	29,036
TOTAL CURRENT LIABILITIES		141,733	122,140
NON-CURRENT LIABILITIES			
Provisions	9	41,322	31,482
TOTAL NON-CURRENT LIABILITIES		41,322	31,482
TOTAL LIABILITIES		183,055	153,622
NET ASSETS		263,453	251,013
MEMBERS' FUNDS			
Retained profits		263,453	251,013
TOTAL MEMBERS' FUNDS		263,453	251,013

The accompanying notes form part of these financial statements.

Statement of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings \$	Total \$
Balance at 1 July 2012	215,557	215,557
Comprehensive Income		
Surplus for the year	35,456	35,456
Other comprehensive income	–	–
Total comprehensive income	35,456	35,456
Balance at 30 June 2013	251,013	251,013
Comprehensive Income		
Surplus for the year	12,440	12,440
Other comprehensive income	–	–
Total comprehensive income	12,440	12,440
Balance at 30 June 2014	263,453	263,453

The accompanying notes form part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		509,456	504,382
Receipts from customers		283,776	162,689
Payments to suppliers and employees		(776,380)	(658,708)
Interest received		11,820	13,048
Net cash (used in)/generated from operating activities	10	28,672	21,411
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment/Redemption of term deposits		97,042	(56,128)
Payments for purchase of property and equipment		(1,809)	(1,527)
Net cash (used in)/generated from investing activities		95,233	(57,655)
Net increase/(decrease) in cash held		123,905	(36,244)
Cash at the beginning of the year		96,983	133,227
Cash at the end of the year	3	220,888	96,983

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

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 Corporations Act 2001 and 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 Corporations Act 2001, 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.

The requirements of Accounting Standards and other financial reporting requirements in Australia do not have mandatory applicability to Environment Defenders Office (Victoria) 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. 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.

d. 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.

e. 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.

f. 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 expenses to the income statement.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

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

g. Revenue

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

Grant Income

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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).

h. 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.

i. 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.

j. New Accounting standards for Application in Future Periods

AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The directors do not anticipate that the adoption of AASB 9 will have an impact on the company's financial instruments.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities (applicable to not-for-profit entities for annual reporting periods commencing on or after 1 January 2014).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of “control” and additional application guidance so that a single control model will apply to all investees.

AASB 11 replaces AASB 131: Interests in Joint Ventures. AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and required specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

AASB 2013-8 amends AASB 10 by adding an appendix to that Standard to explain and illustrate how the principles in AASB 10 apply from the perspective of not-for-profit entities in the private and public sectors. Similarly, AASB 2013-8 amends AASB 12 by adding an appendix to that Standard to explain the concept of a structured entity in a not-for-profit context. Neither of these appendices apply to for-profit entities, nor affect the application of AASB 10 or AASB 12 by for-profit entities.

These Standards are not expected to significantly impact the company’s financial statements.

	2014 \$	2013 \$
Note 2: Income Tax Expense		
Prima facie tax payable on operating profit		
at 30% (2013: 30%)	3,732	10,637
Less tax effect of:		
– non-taxable member income arising from principle of mutuality	(3,732)	(10,637)
Income tax expense	–	–
Note 3: Cash and cash equivalents		
Cash on hand	200	200
Cash at Bank	220,688	96,783
	220,888	96,983
Note 4: Trade and other receivables		
Accounts receivable	28,184	10,863
Note 5: Financial Assets		
Term Deposits	192,958	290,000

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Note 6: Property, plant and equipment		
Office equipment - at cost	29,494	27,684
Less accumulated depreciation	(25,016)	(20,895)
	<u>4,478</u>	<u>6,789</u>
Movements in carrying amounts		
Carrying amount at beginning of year	6,789	9,210
Additions at cost	1,809	1,528
Disposals	–	–
Depreciation expense	(4,120)	(3,949)
Carrying amount at end of year	<u>4,478</u>	<u>6,789</u>
Note 7: Trade and other payables		
Accounts Payable	14,546	2,841
Sundry creditors	18,470	10,385
	<u>33,016</u>	<u>13,226</u>
Note 8: Project funds received in advance		
Project funds received in advance	67,734	79,878
VLA Surplus carried forward	7,729	–
	<u>75,463</u>	<u>79,878</u>
VLA Surplus includes ERO funds of \$6,020 for the 2013/2014 year.		
Note 9: Provisions		
Current		
Provision for annual leave	<u>33,254</u>	<u>29,036</u>
Non-current		
Provision for long service leave	<u>41,322</u>	<u>31,482</u>

2014
\$

2013
\$

**Note 10: Reconciliation of Cash Flow from Operations
with Profit from Ordinary Activities after Income Tax**

Cash flows excluded from operating profit attributable to operating activities:

Non-cash flows in profit

– Depreciation	4,120	3,949
Changes in assets and liabilities;		
– (Increase)/decrease in trade and other receivables	(17,321)	(8,502)
– Increase/(decrease) in creditors	19,790	(3,400)
– Increase/(decrease) in amounts received in advance	(4,415)	(4,069)
– Increase/(decrease) in provisions	14,058	(2,319)
Net cash provided by Operating Activities	28,672	21,115

Note 11: Comparative Figures

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

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Note 12: Company Details

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

Note 13: 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 2014 the number of members was 97 (2013: 99).

Directors' Declaration

In accordance with a resolution of the directors of Environment Defenders Office (Victoria) Ltd, I 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 Corporations Act 2001 and 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 2014 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 Corporations Regulations 2001 and 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: 3/10/14



Director

Dated: 3/10/14

Independent Audit Report to the Members of Environment Defenders Office (Victoria) Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Environment Defenders Office (Victoria) Ltd, which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Director' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report are appropriate to meet the requirements of the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion, the financial report of Environment Defenders Office (Victoria) Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, 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 directors' financial reporting responsibilities under the Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Sean Denham

Sean Denham & Associates

Dated: 3 October 2014

Suite 1, 707 Mt Alexander Road, Moonee Ponds Vic 3039



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