



Registration No: A 00 482 97P

# 2022/23 Annual Report

To be presented at the Annual General Meeting, 30 Nov 2023

# Contents

- [1. Committee of Management](#)
- [2. Chair's Report](#)
  - 2.1 Thanks to Committee, Staff and Volunteers
  - 2.2 Staff Report
  - 2.3 MASG Operations: The circular economy
  - 2.4 The MASG Strategic Plan
  - 2.5 ZNET 2030 programs and projects
    - 2.5.1 The Green Bioenergy Project
    - 2.5.2 The ZNET Retrofit for Vulnerable Communities
    - 2.5.3 Regenerative Agriculture
    - 2.5.4 Healthy Soils Project
    - 2.5.5 The Wararack Initiative and transition plan
    - 2.5.6 The Zero Net Emissions Working Group (MANZWG)
    - 2.5.7 Wash Against Waste Trailer
    - 2.5.8 Castlemaine Repair Café
    - 2.5.9 In Memory
- [3. Financial Governance](#)
- [4. Treasurer's report for MASG](#)
- [5. Treasurer's report for Mount Alexander Bioenergy](#)
- [6. MASG Accounts](#)
- [7. Bioenergy Accounts](#)

## **The Mount Alexander Sustainability Group**

Location: Level 1 / 30 Templeton Street, Castlemaine

Post: PO Box 1043, Castlemaine, 3450

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

## 1. Committee of Management

Members of the committee as at 30 June 2023 were as follows:

Chair	Melissa Pollock (unavailable)
Chair (Acting)	Michael Lewin
Secretary (Acting)	Neil Webster
Treasurer	Maurice Molan
Committee member	William Grant
Committee member	Chris Hooper

There have been some changes to the Committee during the 2022/23 year, as follows:

- At the November 2022 AGM, Gerry Egan did not seek renomination - Gerry joined the Committee in 2014 and has played a very active role in many programs. Gerry held the important role as Secretary with distinction. Gerry remains a director of Mt Alexander Bioenergy Pty Ltd.
- Lynne Waddington also did not seek renomination. Her contribution was much valued.
- Also at the AGM, Chris Hooper joined the Committee. She brings a wealth of experience in the community to the role.
- During the term of this committee, the following valued members resigned for personal reasons, Deane Belfield, Ian Jones and Terry White. Their contributions have been much valued. Regrettably Ian has since succumbed to the Parkinson's disease he has battled for some time.
- During the term of this committee, Neil Webster joined. Neil is an active member of the West End Resilience Group with which we have an affiliation.
- Melissa Pollock was forced to stand aside as she battled an illness. We look forward to Melissa making a full recovery.
- John Carruthers joined the committee during the term but was forced to step down after a short time to attend to personal commitments.

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## 2. Chair's Report

### 2.1 Thanks to the Committee, staff and volunteers

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

Each year the demands on the committee members and staff increase as we strive to be more effective in reaching the organisation's environmental objectives. All committee members take an interest in all activities of MASG. By necessity however committee members must undertake a degree of specialisation in their activities. Table 1 outlines the main activity streams, the work stream leaders and the allocation of main activity by committee members for 2022-23. It goes without saying of course all committee members devote some time to all activities.

MASG activity streams and Committee Member interest – 2021-22							
	MASG operations (circular economy)	Wararack Initiative	Bioenergy (MAB)	Regenerative agriculture & Healthy Soils	Housing retrofit project	Admin and Finance	Comms
Bill Grant	Y	L	Y	L			Y
Melissa Pollock	Y						
Mick Lewin			L		Y		Y
Maurice Molan	Y			Y	Y	L	
Terry White		Y		Y	Y		Y
Deane Belfield			Y	L			
Ian Jones			Y		Y		
Neil Webster	L		Y		Y		Y
John Caruthers							Y

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

We would welcome members to join the committee. We have lost key players through this year and would specifically like to fill the position of Secretary. A diversity of views is welcomed and the current gender balance is not ideal. Participation can be greatly rewarding.

### 2.2 Staff Report

MASG has one staff member, Kieran Blain, who undertakes administration and bookkeeping tasks. All other tasks are undertaken by volunteers with some expenses picked up where appropriate. In addition to the Committee members, these include:

1. Wendy Hopkins - Wash Against Waste
2. Tom Danby – Wash Against Waste
3. Sue Tom - E News

We would like other volunteers to assist with all MASG projects and programmes.

4. Wash Against Waste can use more event day volunteers
5. Social Media maintenance
6. Web Site maintenance

### 2.3 MASG Operations: The circular economy

MASG bread and butter activities essentially are those arising from the concept of the circular economy. The core concept of the circular economy is straight forward. In the ideal world of the circular economy, materials are kept in use as long as technically feasible by recovery, re use and extension of the life of products. The recovered materials can be returned to nature to ensure

material production productivity, thereby completing the circle, or used to produce products such as bioenergy. Alternatively, materials can be repaired, refurbished, recycled or reused in new products.

The core circular economy undertaken by MASG are:

- the Castlemaine Repair Café where residents can come together to extend the life of a wide variety of household items;
- the operation of the Wash Against Waste Trailer, that supplies events with all the utensils they need that are then collected at the end of the event, washed and then reused;
- Recycling initiatives;
- constant communication efforts to encourage waste reduction in the Shire;
- regenerative agriculture through the Regen Ag program; and
- Healthy Soils program
- support for the Yes In My Backyard (YIMBY) community composting initiative.
- Green energy from organic wastes (Bioenergy) where wastes are part of regenerating cycle.

## **2.4 The MASG Strategic Plan**

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

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

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

The organisation will achieve this by.

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

## **2.5 ZNET 2030 programs and projects**

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

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

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

### **2.5.1 The Green Bioenergy Project**

This is primarily a renewable energy project, reducing our reliance on fossil fuel generation and removing waste from landfill.

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

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

The legal platform for the activity is Mount Alexander Bioenergy Pty. Ltd. (MAB) a wholly owned subsidiary of MASG. Mick Lewin is the chair of the board of directors, Gerry Egan is Secretary, Maurice Molan is Treasurer, and Neil Webster is a director. (Note three of the four are also on the MASG board) with Deane Belfield as Project Manager but outside the Board. Ian Jones resigned during the year due to ill health.

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

This is primarily a renewable energy project, producing some 270,000GJ of renewable energy. The intent of renewable energy is to reduce greenhouse gas emissions by reducing our reliance on fossil fuel generation. By removing waste from landfill and using it as the source, we can make this renewable energy project doubly efficient, with an anticipated Greenhouse Gas saving of 88,500 tonnes CO<sub>2</sub>e. The technology below, and the selective control of the feedstocks, will ensure that no unwanted emissions result and that is genuine "GREEN" energy. The facility will divert approximately 36,000 tonnes of organic waste from landfill annually.

To put this in its context, the shires total emissions are estimated as 283,000 tonnes CO<sub>2</sub>e. These are made up of:

- **18,500t Commercial and industrial waste**
- **58,000t agriculture**
- **59,400t residential**
- **147,100t Commercial industrial and government**

A high-level design was completed, and feedstock supply secured via seeking memoranda of understandings. With the confidence of the signed Term Sheet, a launch to stakeholders,

neighbours and the media, was completed through the second half of 2021. This involved public meetings and Listening Posts in the main street of Castlemaine. A Q&A document was maintained to record questions and to provide responses. This is available on our website [www.bioenergy.net.au](http://www.bioenergy.net.au). Other fact sheets and documents are also available through this web site.

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

To expedite the facility development, we have decided to seek approval only for the Anaerobic Digester (AD) stage of the project initially. This type of facility is widely used locally and worldwide and can therefore be expected to come into operation more quickly and start to reap the benefits to the community in 2025.

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

We have run an Expression of Interest process, inviting applications from potential Build, Own, Operate partners. This was narrowed to a short list of 3 who were invited to present to us. We are currently negotiating a Due Diligence process with a preferred party which we expect to continue through to early 2024.

The value of the asset in the Balance Sheet as at June 30 has been determined at \$1,559,254 being actual costs of almost \$703,448 expended plus in-kind contributions calculated at over \$855,766 in all the phases required to reach this point (see table below).

<b>Project Summary to Date</b>		<b>Cost</b>	<b>In Kind</b>	<b>Total</b>
	Pre-feasibility	\$15,000	\$46,000	\$61,000
	Bid Preparation	\$20,000	\$47,000	\$67,000
	Feasibility Study	\$333,584	\$121,489	\$455,073
	<b>Total Completed phases</b>	<b>\$368,584</b>	<b>\$214,489</b>	<b>\$583,073</b>
	<i>Preconstruction 2018/19</i>	<i>\$22,459</i>	<i>\$85,300</i>	<i>\$107,759</i>
	<i>Preconstruction 2019/20</i>	<i>\$15,009</i>	<i>\$56,465</i>	<i>\$71,474</i>
	<i>Preconstruction 2020/21</i>	<i>\$70,577</i>	<i>\$94,114</i>	<i>\$164,691</i>
	<i>Preconstruction 2021/22</i>	<i>\$128,934</i>	<i>\$299,399</i>	<i>\$428,332</i>
	<i>Preconstruction 2022/23</i>	<i>\$97,925</i>	<i>\$106,000</i>	<i>\$203,925</i>
	<b>Total Pre-Construction to date</b>	<b>\$334,904</b>	<b>\$641,278</b>	<b>\$976,182</b>
	<b>Total To Date</b>	<b>\$703,488</b>	<b>\$855,766</b>	<b>\$1,559,254</b>

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

Conditional on the securing of a contract of sale, Contingent Liabilities of \$348,875 are noted.

## 2.5.2 The ZNET Retrofit for Vulnerability Communities

In March 2022, MASG was awarded \$50,000 from Lord Mayors Charitable Foundation towards the cost of a pilot retrofitting ten local low-income houses to a zero net standard.

The pilot was undertaken with Common Equity Housing Limited (CEHL) who worked with us to identify 10 of their Mt Alexander houses as suitable and willing candidates. CEHL was co-funder along with MASG and were able to draw on other government support funding.

The pilot was designed to test that zero net emissions can be achieved by improving the energy efficiency and climate resilience of their homes. The goal is that owners will be able to access long term low interest loans to have their homes retrofitted to a Zero Net standard while also increasing household disposable income. They will improve the comfort of their homes and be paying their loans back through the savings achieved on energy costs.

We investigated the inclusion of rental households but found current Victorian legislation will not allow the recovery of the costs from the tenants. It must be made attractive to the owners also and it would therefore be necessary for any recovery of costs to be an arrangement between tenant and landlord.

We also sought to take all 10 houses off the gas grid.

We have now completed the project and, using the RE Scorecard, all 10 houses have achieved a net zero greenhouse gas emission outcome with energy cost savings fully achieved. They will be monitored over the first year to ensure that the real billing over that time supports the RE Scorecard results.

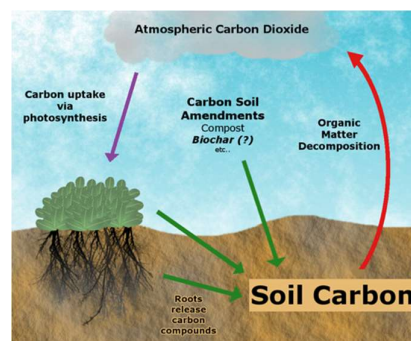
The full report, Zero Net Emissions Retrofits in Mt Alexander Shire, is available on our web site.

[www.masg.org.au](http://www.masg.org.au)

### 2.5.3 The regenerative agriculture project (MARAG)

Last year's annual report noted MASG's involvement in regenerative agriculture activities (Mt Alexander Regenerative Agriculture Group which now has circa 70 registered members and about 25 active members).

Regenerative agriculture is a group of farm practices which focuses on improvements in farm productivity from topsoil regeneration by a range of actions including composting, bio-stimulants, dung beetles, changed stock management and grazing and crop management practices, increasing biodiversity, improving water flows, building productivity and landscape function.



An important by-product of this is carbon sequestration and reduced consumption of fossil fuel (direct and indirect) on farm – scope 1,2, and 3, which in some cases can lead to 'a farm being certified "carbon neutral" under the Federal Government's Climate Active Carbon Neutral program.

Deane Belfield has long been a vocal advocate for regenerative agriculture and indeed practices what he preaches on his own farm (the first farm in Victoria registered under the CFI's 2014 Soil Carbon Methodology). Deane (as MARAG facilitator), has continued the program initiated with NCCMA support, to work with local farmers to accelerate the take-up of regenerative agriculture practices within the local region. As part of this Deane has involved MASG in supporting the MARAG project and has developed an integrated Regen Ag curriculum to which he regularly involves high quality guest speakers and mentors.



MASG was able to draw on a \$100,000 grant to continue this *applied-learning* program into a fourth year. The grant will fund on-going activities that will assist local farmers to apply their regenerative farming practices, learned through program participation, and sharing experiences with other participants. A core component is to measure, monitor and build soil carbon (the apex soil indicator) through sequestration (drawing down atmospheric CO<sub>2</sub>).

The Project will also monitor the success of the participating farmers in building soil carbon which, in the medium term, will hopefully encourage other farmers to follow. Additional soil carbon can be monetised (carbon credits) if undertaken via a registered carbon project (refer Federal Government).

Finance has been allocated to purchase specific equipment for sharing amongst farmers, that would otherwise not be within their individual budget, to help accelerate outcomes.

This project has the potential to make a significant contribution to the ZNET 2030 goal, as evidenced by recent follow-up verified soil carbon increases within the region.



#### **2.5.4 Healthy soils project**

This project is being delivered under a \$197,300.00 grant from the Department of Agriculture, Water and the Environment's Smart Farms Small Grants Soil Extension program to promote more sustainable soil management by farmers in a region ranging north-south from Elmore to Musk and east-west from Lancefield to Newbridge. The project is being conducted in partnership with Federation University. Commencing in March 2022, the project is working with existing and new grower networks and communities of interest to assist farmers to develop Soil Health, Nutrition & Carbon Management Plans. It is working with a core of farmers to develop documented plans, as well as developing factsheets and planning tools. At the time of writing, the project had visited 18 farms, and undertaken soil assessments and laboratory testing at 15 properties and developed Soil Health, Nutrition & carbon management plans for 12 of these. Soil assessments and management plans will be undertaken at a total of 20 properties. Four farmer information sessions and field days have been conducted, and further events will be held in coming months. The project has developed and is finalising several information sheets, case studies and a work planner for soil health, nutrition and organic matter management and is working with other related projects to promote these to a wider audience. The project will run until Mid-2024.

#### **2.5.5 The Wararack Initiatives and transition plan**

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

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

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

MASG's Peter Brain developed the report, Towards Zero Net – MASG Program. This detailed analysis provided a basis for MASG's programmes required to support the Net Zero by 2030 target. Refer the MASG website to view this: [www.masg.org.au](http://www.masg.org.au) .

MASG's current representatives on the Initiative's implementation group is Bill Grant. MASG contributes to elements of the Initiative related to renewable energy, efficiency and land carbon.

#### **2.5.6 The Zero Net Emissions Working Group (MAZNWG)**

The Mount Alexander Zero Net Emissions Working Group (MAZNWG) has used the was award of \$3,000 from the Mount Alexander Shire Council Community Grants Program to enhance the community understanding of what is required to achieve the Net Zero goal.

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

Because MAZNWG is not incorporated, MASG agreed to auspice the MAZNWG application. MAZNWG has now been incorporated into MASG.

#### **2.5.7 Wash Against Waste Trailer**

This custom-built trailer is equipped with all that is necessary to take to public events and displace the use of disposable crockery and cutlery with those that are washable and reusable. It is generally staffed at the events by the event organisers under the supervision of a trained MASG operator. This has proved very popular over a number of years now. Volunteers have an enjoyable experience and food vendors are only too happy to work with the team. A new trailer was developed in 2020, replacing one that had proved too heavy for many of the available vehicles. The new trailer was constructed with funding supplied by the Lord Mayors Charitable Foundation.

#### **2.5.8 Castlemaine Repair Café**

The Repair Café is still going strong. Basic bicycle maintenance is offered at each Cafe as well as the ongoing appliance and sewing repairs. Mobile phone and Apple Mac help is also now offered at each Cafe. A darning workshop was so well attended that the teacher now attends every Cafe and has sparked the Mending Circle which continues as part of the Repair Café services.

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

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

#### **2.5.9 In Memory**

Rhonda Chapman

MASG would like to acknowledge the recent death from cancer at the age of 58 of former Committee of Management member and Chair, Rhonda Chapman. Rhonda was a tireless community builder and 'mover and shaker' committed to community development locally and internationally. Throughout her

life and career, Rhonda worked on community development projects with NGOs and communities throughout South America, South East and Central Asia, the Pacific, Australia and locally here in Castlemaine. Much of her work was with Oxfam, Community Aid Abroad, WWF, and WaterAid, and through her own consultancy working to develop community programs to provide access to clean water and education and promote gender equality and micro-financed women-run businesses. During her time at MASG from 2010-2013, Rhonda was part of the team that actively promoted household and industry energy efficiency, rooftop solar, and renewables. With her partner Tim Ford, she was also founder and co-owner of CoHoots co-working space that was active in the community promoting and facilitating collaboration between Castlemaine small businesses, and was a generous supporter of many community groups and initiatives. She is greatly missed by many in the community who loved her drive, humour, kindness, compassion, laugh and generosity.

Ian Jones

Ian was a much valued supporter and board member of the Mt Alexander Sustainability Group and was a valued contributor in many of its projects. Specifically this included his commitment to the Bioenergy project and Energy Efficiency projects. Ian was pivotal in the redesign of the Wash Against Waste trailer. Ian was passionate about achieving emissions reduction both locally and globally and was always ready to assist others to advance these causes. His sharp intellect, wide experience and enthusiasm were highly valued and will be missed greatly.

### **3. Financial Governance**

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

MASG is an incorporated association with a volunteer Committee of Management and, as at 30 June 2023 is operating with only one part time administrator and bookkeeper. Committee members are not paid for their time on the Committee but may be paid for other services in specific cases.

The Committee acknowledges the potential for a conflict of interest in such cases and recognises the need to properly manage this. During 2022/23, the following potential conflict of interest issues were identified and managed.

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

##### **Management of Regen Ag program – Eco2Sys Australia Pty Ltd (Deane Belfield)**

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

##### **1. Regen Ag**

The Regenerative Agriculture project has run for three years already and will continue into 2024. The project funder (NCCMA) granted the funds in the expectation that Deane will manage the project. The Committee agreed that Deane run this project (and receive payment) without competitive quotes from the market, on the basis that he is an acknowledged expert in the field and the funder has granted funds in the expectation of his involvement. During 2022/23, MASG paid Deane's company, ECO2Sys, \$8,953 for this. The Committee recognises that this payment does not cover all the effort and time that Deane has committed to this program.

The funding, provided by Don Smallgoods late in 2022, allowed a continuation of the Regen Ag project. The Committee set up a subcommittee to manage this on its behalf. The Subcommittee members were three Committee members (Melissa Pollock, Terry White and Gerry Egan) and three industry people were Tim Read, Jason McAinch and Katie Finlay. The project management role was advertised, and Deane Belfield was the only applicant. As he is very well-credentialed to manage this, the Committee accepted this offer in August 2022. The contract is for a total of \$24,400 over a period of 21 months.

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

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

The project manager is COM member Bill Grant, who is conducting the work as a Research Fellow at Federation University. COM decided in January 2022 that he is the best person to manage the project because he initiated and submitted the grant application, his expertise has been important in obtaining the grant, and he is nominated in the grant offer. The contract is for a total of \$119,850 over a period of about two years and will be paid to Federation University. Bill's wage at Federation University is funded separately, and he receives no additional stipend or payment for conducting the work. Bill's employment as a Research Fellow at the university allows him to commit more time to the project than was initially anticipated and expand the research component of the work. No payment was made to Bill under this contract in 2022/23.

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

MASG is the sole shareholder of MAB.

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

In March 2020, Directors resolved to make a payment of \$1,200 per month to Mick Lewin as Chair in partial recognition of the large amount of work he is doing, and MASG, as shareholder, agreed. Payments were made from January 2021. Directors recognise that this directors fee payment does not cover all the effort and time that Mick has and is committing to this program. During 2022/23, MAB paid \$13,169 for this.

In September 2022, directors resolved to make a further payment of \$50,000 to Mick if and when the bioenergy project reaches financial close, provided that MAB receives investor funds to allow such a payment. This decision was taken because Mick has done substantial work over the five years of the preconstruction phase and also prior to that. This work has been vital for keeping the project going – the project would have foundered without it. The project will, if it reaches financial close, bring enduring value to MASG. It is appropriate to financially reward Mick's work, if possible, with the payment amount calculated on the basis that 50% of his work be regarded as voluntary.

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

### **Contract for preconstruction services with eco2sys Australia Pty Ltd (Deane Belfield)**

In 2018, Directors resolved that Deane was vital to this project due to his expertise and his industry connections, and a Pre-construction Consulting Agreement with Deane's company, eco2sys Australia Pty Ltd, was executed in 2018.

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

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

- ECO2Sys has expended effort valued well in excess of the total paid.

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

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

During 2022/23, MAB paid \$53,700 to ECO2Sys.

### **Bioenergy structure**

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

Currently the directors are Michael Lewin (chair), Bill Grant, Maurie Molan and Gerry Egan.

All Bioenergy Board members other than Gerry Egan are MASG Committee of Management. We believe MASG interests are secured in this arrangement.

## 4. Treasurer's report for MASG

Notes to the Financial Accounts for the Year ended 30 June 2023

### MOUNT ALEXANDER SUSTAINABILITY GROUP INC

Registration No: A 00 482 97P

#### 1. Basis of Preparation

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

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

#### 2. Income Tax

Mount Alexander Sustainability Group Inc is a not for profit entity and has been granted exemption from income tax as a charitable institution under Sec 50-5 of the Income Tax Assessment Act 1997. For the 2023 Financial Year the organisation remains entitled as an endorsed organisation, as the status of the charity has not changed.

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

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

### Statement by Members of the Committee

MOUNT ALEXANDER SUSTAINABILITY GROUP INC.

Registration No; A 00 482 97P

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

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

1. Present fairly the financial position of **Mount Alexander Sustainability Group Inc** as at 30 June 2023 and its performance for the year ended on that date; and
2. As at 30 June 2023 there are reasonable grounds to believe that the incorporated body will be able to pay its debts as and when they fall due.

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



**Maurice Leslie Molan, Treasurer**

**30 October 2023**

## Treasurer's Report for the year ended 30 June 2023

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

### Financial Performance as at 30 June 2023

The 2023 Financial Statements have been posted on the web site (as part of this annual report) and can be accessed by all members.

An audit of the Financial Statements is being done by Daniela Arceri, Public Accountant, IPA, and will be available on the website.

### Comment on Profit and Loss Account

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

<b>Income &amp; expenses</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Income from all activities	\$17,963	\$45,227	\$84,817	\$68,662
Expenses from all activities	\$63,271	-\$57,910	-\$78,265	-\$85,513
Profit (Loss)	-\$45,307	-\$12,674	\$6,553	-\$16,851

Income down by \$27k mainly caused by not receiving support of \$25k from the bioenergy project. The loss of \$45k has been exacerbated by the decision of the committee to remove the entitlement to \$25k from the bioenergy project undertaken by it's subsidiary ( and included as income in the 2022 financial year). Progress on the project has been delayed as discussed elsewhere in this report.

Important projects Regenerative Agriculture, Wash Against Waste Trailer and Repair Cafe made small contributions.

The Healthy Soils project paid the costs of \$11k for an administrative assistant employed by MASG for Healthy Soils and Regen Ag.. It is expected more contributions from both projects in 2024.

MASG receives significant grants, sometimes in the hundreds of thousands of dollars, to administer projects to achieve the organisation's goals. However, these tied grants provide very little income to MASG for administration. The Profit and Loss Statement does not reflect the gross amounts of these grants and the small amounts of income declared in the Profit & Loss Account are shown in the right hand column of the table below.

<b>MASG Projects</b>	<b>Item</b>	<b>Paid</b>	<b>Received</b>	<b>Balance Sheet</b>	<b>Income to MASG P&amp;L</b>
Regen Ag	Balance 30 Jun 2020			\$26,705	
	NCCMA 2020/21		\$25,000		
	Paid 2020/21	\$37,534			\$1,614
	Balance 30 Jun 2021			\$14,171	
	NCCMA 2021/22		\$32,000		
	DON 2021/22		\$100,000		
	Paid 2021/2022	\$17,926			\$1,680
	Balance 30 Jun 2022			\$128,245	
	Paid 22/23	\$30,588			\$1,680
	Balance 30 Jun 2023			\$97,657	
Healthy Soils	Balance 30 Jun 2021			\$0	
	Grant 2021/22		\$123,750		
	Paid 2021/2022	\$2,000			\$2,000
	Balance 30 Jun 2022		\$121,750		
	Grant		\$73,550		
	Paid 22/23	\$16,304			
	Balance 30 Jun 2023			\$178,996	0
Recycling advocacy	Balance 30 Jun 2020			\$0	
	Donation 2020/21		\$25,000		
	Paid 2020/21	\$4,813			\$1,724
	Balance 30 Jun 2021			\$20,187	
	Paid 2021/2022	\$6,238			\$722
	Balance 30 Jun 2022			\$13,948	
	Paid 22/23	\$2,591		\$11,357	0
Housing Retrofit	Balance 30 Jun 2020			\$0	
	Grant 2020/21		\$50,000		
	Paid 2020/21	\$0			\$0
	Balance 30 Jun 2021			\$50,000	
	Paid 2021/2022	\$9,060			
	Balance 30 Jun 2022			\$40,940	\$0
	Paid 22/23	\$2,540			
	Balance 30 Jun 23			\$38,400	\$0



Full details of income and expenses are set out in the Profit & Loss Account contained in the attached financial accounts. A Treasurer's Report and a copy of the financial accounts for Mount Alexander Bioenergy Pty Ltd are also included later in this report.

### Comment on Balance Sheet

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

	2023	2022	2021	2020
<b>Assets</b>				
Cash at hand	344,372	\$332,405	\$136,046	\$46,609
Less Funds in Trust for Specific Projects	334,771	-\$306,744	-\$90,358	-\$14,852
Untied Cash at Hand	9,601	\$25,661	\$45,688	\$31,757
Other Current Assets		2	\$14,598	\$19,592
Non-Current Asset MAB – refer note	2	\$27,362		
Office Equipment and WAW Trailer	30,303	\$35,631	\$40,515	\$46,287
<b>Total Assets</b>	<b>39,906</b>	<b>\$88,656</b>	<b>\$100,801</b>	<b>\$97,636</b>
<b>Liabilities</b>				
Creditors/ATO/Provisions	-3,253	\$190	-\$339	\$3,048
<b>Net Assets</b>	<b>\$43,159</b>	<b>\$88,466</b>	<b>\$101,140</b>	<b>\$94,588</b>

Net Assets have reduced to \$43k even though we have \$344k in cash. However almost \$335k is committed to carry out the terms of the grants, details of which are set out in the table above. Consequently only \$9k is available for administration of the grant projects which is the reason staff has been reduced to one part time bookkeeper and administrator for the time being.

Over the years MASG has received income from administration of the bioenergy project undertaken by it's subsidiary Mount Alexander Bioenergy Pty Ltd (MAB). MASG had raised an invoice for \$27,362 which MAB has been unable to pay. Consequently, with the agreement of MAB directors the Committee has agreed to not require payment and the accounts have been amended. It is agreed that the invoice will be raised if and when the project reaches financial close.

The investment in the subsidiary, Mount Alexander Bioenergy Pty Ltd, is represented in the balance sheet at its face value of \$1. The value of the Bioenergy Project in Mount Alexander Bioenergy Pty Ltd has been separately valued by the company directors at \$1,559,254 which represents the actual costs of the project to date, including funds provided by Federal and State Governments, Dons Smallgoods, Coliban Water, McKinnon Foundation, MASG, plus the value of considerable in-kind contributions. The value has been increased by cash and in-kind contributions amounting to \$203k, by the aforementioned parties over the last financial year. However, as a matter of conservative accounting practice, the MASG committee has chosen not to revalue the asset in the MASG financial accounts.



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

**26 Oct 2023**

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

**Mount Alexander Bioenergy Pty Ltd**

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

**Treasurer's Report for the year ended 30 June 2023**

**Financial Performance as at 30 June 2023**

The 2023 Financial Statements have been posted on the web site (as part of this annual report) and can be accessed by all members.

### **Comment on Profit and Loss Account**

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

<b>Income &amp; expenses</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Income from all activities	\$91,687	\$123,776	\$90,019	\$26,032
Expenses from all activities	\$87,049	\$155,449	\$70,576	\$14,412
Profit (Loss)	\$4,638	-\$31,674	\$19,443	\$11,620

Most of the income this year was grants used to advance the project but has also been positively affected by the decision by MASG to not require payment of an invoice for \$27,632 including GST for management services. Expenses this year were mainly for project management by ECO2Sys, technical consultants, tax advice and audit fees. The chair, Michael Lewin, was paid salary and superannuation of \$13,167 (2022 was \$14,438).

### **Comment on Balance Sheet**

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

<b>Assets</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Cash at hand	4,141	\$25,718	\$7,626	\$3,159
Intangible Asset Bioenergy Project Development	1,559,254	\$1,355,329	\$927,000	\$762,300
Other Current Assets	628	\$3,812	\$39,068	\$11,000
<b>Total Assets</b>	<b>1,564,023</b>	<b>\$1,395,859</b>	<b>\$973,694</b>	<b>\$776,459</b>
<b>Liabilities</b>				
Creditors/ATO/Provisions	758	\$13,795	\$15,647	\$2,554
Deferred Creditor (MASG)	0	\$27,632	\$0	\$0

<b>Net Assets</b>	1,563,265	\$1,354,702	\$958,047	\$773,905
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The significant change to the Balance Sheet is increasing the value of the Intangible Asset by \$203,825 to \$1,559,254. This increase represents the value of the preconstruction work done during the year by contract and by in-kind effort from MASG and Don. The In-kind contribution has been calculated based on the time donated and work performed without charge by highly qualified Engineers and other experts.

**Notes: Contingent Liabilities**

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

The additional amounts and parties involved are set out below:

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

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

2. Don Smallgoods has advanced a total of \$146,000 to the project to achieve certain milestones.

MASG, by virtue of the agreement between MAB and Don Smallgoods, has agreed that this money only be paid when financial close is reached with a financier.

3. The Balance Sheet at 30 June 2023 disclosed a contingent liability of \$27,038 including GST payable to MASG. The parties have agreed that because of the uncertainty of MAB's ability to pay this amount is no longer regarded as a contingent liability.

4. MAB has a contract with Eco2Sys Australia Pty Ltd to provide project management services and has been paid \$53,700 in the period 1 July 2022 up to 20 February 2023. It is estimated that Eco2 Sys has provided service to the value of \$10,850 which the company is not in a position to pay. It is agreed between the parties that an invoice will only be raised if funding is received on financial close or earlier if unconditional funding becomes available.

**Note: Deferred Liabilities**

At 30 June 2022 the financial accounts disclosed a deferred liability of \$27,038 to MASG for management services. These services had been a regular income stream for MASG over several years. However, the Committee of Management of MASG and the directors of MAB have agreed that there is uncertainty that MAB will have the ability to pay and the parties have agreed that this liability of \$27,362 be removed.



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

**26 October 2023**

## 6. MASG Accounts

### Mount Alexander Sustainability Group

#### Balance sheet report

As at 30 Jun 2023

	Total	
	Actual	Last Year
<b>Asset</b>		
Bank Australia	259,611	175,138
Bank Australia Regen Ag	69,672	142,922
Bendigo Bank Account	4,444	4,145
Bendigo Bank Public Fund	10,541	10,056
Petty Cash	103	144
Office Equipment at Cost	0	5,311
Office Equipment Accum Dep	0	-5,311
Wash Against Waste Trailer	53,245	53,245
Trailer Accumulated Depreciation	-22,942	-17,614
<b>Non-Current Asset</b>		
MASG Renewables Pty Ltd	1	1
MASG Renew Pty Ltd Investment Trust	1	1
Accounts receivable	0	27,363
<b>Total Non-Current Asset</b>	<b>2</b>	<b>27,365</b>
<b>Total Asset</b>	<b>374,677</b>	<b>395,400</b>
<b>Liability</b>		
<b>Current Liabilities</b>		
Grant MAS Council Website	1,860	1,860
The Big Switch Project	6,500	0
Regenerative Agriculture Project	97,657	128,245
Recycling Grant	11,357	13,948
House Retrofit Project	38,400	40,940
Healthy Soils Project	178,996	121,750
GST Collected	4,008	4,144
GST Paid	-7,261	-4,757
PAYG withholdings payable	0	803
<b>Total Current Liabilities</b>	<b>331,518</b>	<b>306,934</b>
<b>Total Liability</b>	<b>331,518</b>	<b>306,934</b>
<b>Net Assets</b>	<b>43,159</b>	<b>88,467</b>
<b>Equity</b>		
<b>Retained Earnings</b>		
Retained Earnings	88,467	101,140
<b>Total Retained Earnings</b>	<b>88,467</b>	<b>101,140</b>
<b>Current Earnings</b>		
Current year earnings	-45,307	-12,674
<b>Total Current Earnings</b>	<b>-45,307</b>	<b>-12,674</b>
<b>Total Equity</b>	<b>43,159</b>	<b>88,467</b>

## Mount Alexander Sustainability Group

### Profit and loss report

For year ending - 30 Jun 2023

	Total	
	Actual	Last Year
<b>Income</b>		
Public Fund Donations	457	10,740
Donations	70	245
Regenerative Agriculture Administration	1,680	1,680
Recycling Project	0	722
Healthy Soils Salary Contribution	11,032	0
Healthy Soils Project Administration	0	2,000
Auspice	0	273
Mt Alexander Bioenergy Pty Ltd	0	24,875
Repair Cafe	420	0
Fundraising - Catering	949	0
Party Hire	218	187
Memberships	1,946	3,536
Interest Received	392	252
WAWT - Hire	800	727
<b>Total Income</b>	<b>17,963</b>	<b>45,237</b>

<b>Gross Profit</b>	<b>17,963</b>	<b>45,237</b>
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<b>Expense</b>		
Accounting Legal	980	985
Audit Fees	500	500
Bank Charges	1	6
Merchant Fees	228	232
Depreciation	5,328	4,884
GST Adjustment Expense	-190	0
RentElectricityWater	1,114	1,200
Web Hosting	310	300
Repair Cafe Expenses	127	118
Party Hire Expenses	0	82
Consultants	0	64
Office Supplies	136	102
Photocopying	0	21
Software	0	117
Postage	139	136
PL and Product Insurance	582	545
Volunteers Accident Insurance	655	655
WorkCover Insurance	220	214
Oxfam donation - Bendigo Bank	2	0

WAW Trailer	417	203
WAW Trailer Registration	62	56
Internet Access and Phone	0	14
Grants paid to Mt.Alexander Bioenergy Pty Ltd	0	9,091
Superannuation expense	2,714	3,112
MAB Services Fee Written Back	24,875	0
Wages & salaries	25,071	35,273
<b>Total Expense</b>	<b>63,271</b>	<b>57,911</b>
 <b>Operating Loss</b>	 <b>-45,307</b>	 <b>-12,674</b>
 <b>Other Income</b>	 <b>0</b>	 <b>0</b>
 <b>Net Loss</b>	 <b>-45,307</b>	 <b>-12,674</b>

## 7. Bioenergy Accounts

### Mount Alexander Bioenergy Pty Ltd

#### Balance sheet report

As at 30 Jun 2023

	Total	
	Actual	Last Year
<b>Asset</b>		
<b>Intangible Assets</b>		
Bioenergy Project Development	1,559,254	1,355,329
<b>Total Intangible Assets</b>	<b>1,559,254</b>	<b>1,355,329</b>
<b>Current Assets</b>		
Bank Australia 12100320	4,141	25,718
Trade Debtors	0	11,000
<b>Total Current Assets</b>	<b>4,141</b>	<b>36,718</b>
PAYG Tax Installment	628	994
<b>Total Asset</b>	<b>1,564,023</b>	<b>1,393,041</b>
<b>Liability</b>		
<b>Current Liabilities</b>		
GST Collected	1,565	1,000
GST Paid	-808	-3,818
Trade Creditors	1	13,795
<b>Total Current Liabilities</b>	<b>758</b>	<b>10,976</b>
<b>Long Term Liabilities</b>		
Deferred Creditor MASG	0	27,362
<b>Total Long Term Liabilities</b>	<b>0</b>	<b>27,362</b>
<b>Total Liability</b>	<b>758</b>	<b>38,338</b>
<b>Net Assets</b>	<b>1,563,265</b>	<b>1,354,703</b>
<b>Equity</b>		
<b>Retained Earnings</b>		
Retained Earnings	-627	31,046
<b>Total Retained Earnings</b>	<b>-627</b>	<b>31,046</b>
<b>Current Earnings</b>		
Current Year Surplus/Deficit	4,638	-31,674
<b>Total Current Earnings</b>	<b>4,638</b>	<b>-31,674</b>
Issued Shares	1	1
Valuation Bioenergy Project 1/7/2022	1,355,329	926,997
Increased Valuation Bioenergy	203,925	428,332
<b>Total Equity</b>	<b>1,563,265</b>	<b>1,354,703</b>



# Mount Alexander Bioenergy Pty Ltd

## Profit and loss report

For year ending - 30 Jun 2023

	Total	
	Actual	Last Year
<b>Income</b>		
Don Smallgoods	46,000	45,000
Loddon Mallee Waste and Resource Recovery	0	18,739
MASG Administration Fees Reversed	24,875	0
Sustainability Victoria	20,000	50,000
Donation/Gift Income	0	10,000
Interest Received	37	37
Consultancy Fee Refund	775	0
<b>Total Income</b>	<b>91,687</b>	<b>123,776</b>
 <b>Gross Profit</b>	 <b>91,687</b>	 <b>123,776</b>
 <b>Expense</b>		
ASIC	580	552
Accounting Tax Advice	7,000	0
Audit Fees	1,000	1,500
Advertising & Marketing	0	222
Consultants	0	9,319
Admin Mt.Alexander SG Inc	0	24,875
Eco2Sys - Consultant	53,700	40,850
Website Hosting	0	190
Inoplex Pty Ltd - Consulting	8,970	59,170
General Expense	116	0
Wages & Salaries Expenses	11,916	13,125
Work Cover Premiums	220	226
Superannuation	1,251	1,313
Income Tax Paid	0	1,867
Pro Indemnity Insurance	2,295	2,240
<b>Total Expense</b>	<b>87,049</b>	<b>155,450</b>
 <b>Operating Profit</b>	 <b>4,638</b>	 <b>-31,674</b>