



renew.

2019-2020

ANNUAL REPORT

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We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

We pay our respects to their Elders past, present and emerging.

Sovereignty was never ceded. Always was, always will be Aboriginal Land.

About Renew

Renew is a national, not-for-profit organisation that inspires, enables and advocates for people to live sustainably in their homes and communities.

Established in 1980, Renew provides expert, independent advice on sustainable solutions for the home to households, government and industry.

We have helped thousands of households reduce their environmental footprint and save money with information on energy efficiency, solar power, rainwater tanks, materials reuse and waste.

Renew advocates in government and industry arenas for easy access to sustainable solutions as well as continual improvement of the technology, information and products needed to change the way we live. Renew also provides consultancy services based on our technical expertise.

OUR TEAM THROUGHOUT 2019/2020

STAFF

Andrew Reddaway
Anna Cumming
Anne Martinelli
Damien Moyse
Dean Lombard
Don Batson
Donna Luckman
Doug Rolfe
Ele Hoare
Erin Cummins
Gemma Helms
Harry Andrews
Ian Robertson
Jacinta Cleary

James King
Jess Dorney
Jessamie Yule
Jodi Rashbrook
Jodie Meehan
Katy Daily
Lance Turner
Michele Ryan
Mohit Gulati
Olivia Wykes
Paul Bowers
Rob McLeod
Robyn Deed
Sasha Shtargot
Sophie Liu
Sophie Weiner

BOARD

(retired 2019)
Caroline Pidcock
Darren O'Beirne
Helen Millicer
Mark Bytheway

Dominique La Fontaine
Doug Ferguson
Gerlinde Scholz
Grant Downie
Jim Castles
Kylie Taylor
Louisa Scott
Mark Burford

Michael O'Connell
Sally Moxham
Tim Drinkall
Tristy Fairfield

REDT FUND MANAGEMENT COMMITTEE

Blair Lindsay
Gayle Seddon
Ian Court
Mark Bytheway

OUR VISION

A world in which communities thrive in a way that does not cost the earth.

OUR MISSION

To inspire, enable and advocate for people to live sustainably in their homes and communities.

OUR GOALS

United with our members and partners, by 2025 sustainable living in Australia will be:

- A common expectation for Australian households;
- Affordable and accessible Supported and promoted by all levels of government;
- Occurring at a scale where it is self-sustaining.

OUR GOVERNANCE

Alternative Technology Association trading as Renew Australia, is a registered charity with the Australian Charities and Not-for-profit Commission. We are also endorsed as a Deductible Gift Recipient (DGR) on the Register of Environmental Organisations and as a Tax Concession Charity (TCC). Alternative Technology Association trading as Renew Australia is an Incorporated Association under the Victorian Associations Incorporation Act 1981.

ABN 57 533 056 318
Reg No. A0017411T

COVER IMAGE

Petrie Terrace Cottage in Queensland, a participating home in Sustainable House Day in 2019

CEO's Report

When I arrived at Renew in March, I joined a trusted member organisation with an enviable record leading sustainability. I would like to thank my predecessors, former CEO - Donna Luckman, who left in December, and Damien Moyse, who acted in the role until March. Under their leadership last year, Renew launched our Healthy Affordable Homes campaign, ran our largest ever Sustainable House Day in September 2019, and continued to grow the impact of our sector-defining magazines, Renew and Sanctuary.

COVID-19 was just beginning to impact us all when I started here. Since the end of March, all Renew staff have been working from home, with the office remaining closed. The resilience and professionalism shown by Renew staff have been exemplary, and I want to acknowledge their hard work in the face of isolation.

We had thought the worst bushfires for 30 years would be the defining event of the year, but more significant challenges were yet to come. The pandemic created the fastest, deepest entry into recession Australia has ever seen, and a cost-saving staff restructure was the only way to safeguard Renew's future. In addition, the weaknesses in our digital infrastructure have become clear, as our member database is not yet operating satisfactorily, and our office space, in the centre of Melbourne's CBD, is expensive and unfit for purpose. These are being resolved in the background; yet our focus must remain on growing our reach, engagement and impact if we are to achieve our goals of a sustainable Australia.

This year we had planned to celebrate our 40th anniversary with nationwide events. While it has not been the 2020 we hoped for, this year shows the way forward for the next forty.

I take an inspiring statistic from 2019's Sustainable House Day evaluation: over 80% of the 44,560 attendees shared their learning with friends and family face to face. This is where Renew has influence: creating communities that learn together.

Multiple studies have indicated a growing distrust of governments, institutions and authority; more than ever, people disbelieve information unless it's from sources to which they already feel connected. By building and enabling these networks, through magazines, events and memberships, we catalyse the flow of information, empowering public, members and partners to accelerate systemic change.

I am also inspired by our foresight. In mid-2020, Renew delivered the first stage of our industry-leading Distributed Energy Resource (DER) Enablement project. This research project considers how best to manage the future integration of solar PV and other DER in our electricity grids – in particular, we are exploring the opportunities and costs for enabling much higher penetrations of DER in our grids over the next two decades. The project's conclusions showed us a more comprehensive approach is needed to fully examine all issues and potential solutions and we have secured significant additional funding from Energy Consumers Australia for a second stage of this project, due for completion by mid-2021.

As I write in November 2020, we are beginning delivery of a major grant from Global Giving, to enable an extension of our Climate Resilient Homes advocacy into bushfire-affected regions to support their rebuild. Integrating sustainable building approaches with bushfire resilience will enable a transformation of communities, from householders to the designers, engineers and builders.

The indications for another successful forty years are strong. We have begun a significant piece of member research, to enable us to fully understand all our members, serve them better and find ways to grow our membership base. This will both broaden our impact and secure our financial resilience. We successfully shifted 2020's Sustainable House Day online and have begun to build new and stronger ways of working with our national network of Members' Branches.

We aim for large scale, systemic change. It is not enough to enable change for a few thousand people, the people who already support our ambitions. We must continue to bring sustainable solutions to mainstream public audiences and, as the climate emergency continues to disrupt our society, we will be positioned to empower individuals and communities to positively respond.

Our passionate members, talented staff, committed Members' Branches and networks of partners give me optimism that we will succeed. I want to thank all staff at Renew for their resilience and hard work through this uniquely challenging time. I also want to thank all staff, members and our board for welcoming me into this remarkable organisation, and I look forward to emerging from this period of change into a future where all Australians can live sustainably in their communities.



Paul Bowers
CEO

President's Report

At the time of last year's Renew AGM the Black Summer bushfires had already begun to signal that climate emergency is now a real and present danger in our lives. For many Australians, the experience brought some critical reflection and discussions about how we live on this planet and what we really value. Talk of bold, collective action to transform society has become mainstream.

Now in its 40th year, Renew is today more relevant and more needed than ever.

Renew needs to be ready to deploy our considerable expertise in new ways and at ever-growing scale to reach more people, more often, and with more impact.

Yet first we had to confront an uncomfortable truth: Renew as an organisation was in no position to scale up its essential work at a time when it mattered most. In fact, there was a question mark over its viability to continue as an independent organisation.

Anyone who has followed Renew's organisational performance published each year in the annual report will have been aware that after consecutive years of operating losses Renew started the financial year 2019/20 in a weak position. Cost increases had outstripped income growth, eroding retained earnings over time. Renew was left with very limited reserves and was vulnerable to unforeseen changes in the operating environment.

This is a systemic problem, so common in the not-for-profit sector that it has a name: the 'starvation cycle'. It describes an operating model in which organisations mostly manage to cover their costs but have no resilience in case of an unexpected downturn, nor resources to invest in capacity building.

While the bushfires raged across the southern summer, a pandemic was brewing across the northern winter. When the

pandemic brought business-as-usual to an end with little warning, Renew's viability became a more real and pressing question. The government's JobKeeper program provided relief at a critical time, as it was designed to do. But a systemic problem requires a systemic solution.

Our Board worked closely with the CEO to reset the operational fundamentals to put Renew on a more sustainable footing. Through a restructure we have achieved a manageable cost base with a smaller operations and administration team and reallocated resources to outward-facing roles focused on stakeholder relationships, member stewardship, fundraising and communications. We are overhauling our financial management systems and reporting and addressing shortcomings in the implementation of a Customer Relationship Management (CRM) system that has been a concern for some time.

Renew is now in a much stronger position to continue its essential work in a wider operating environment that will be precarious for some time to come, particularly for the not-for-profit sector in Victoria.

Implementing these changes resulted in some staff members leaving the organisation. This was difficult and painful for all involved – staff, members, management and the Board. Our Board took these difficult decisions with due care and diligence and in keeping with the responsibility to act in the best interests of the organisation as a whole, as delegated to us by our members and Constitution, and by the regulators.

There is no mission without margin. Renew does not exist to build a strong balance sheet, but in order to focus properly on its mission, it needs to be financially sustainable.

From the last-quarter-of-the-year vantage point, what stands out most is how adaptable and resilient Renew ultimately proved to be in the midst of extraordinary challenges and change.

Throughout the year, the Renew team has continued to deliver trusted information, expert advice and quality programs for Australians looking to live more sustainably while also dealing with leadership transition, moving operations to work-from-home mode, working through the restructure, and coping with the longest and hardest lockdown anywhere in Australia and possibly the world. I salute their resolve, commitment and professionalism.

Just over a month ago, Renew delivered an outstanding Sustainable House Day 2020, translating this national event to an innovative online format in record time. It was a great lesson in finding the opportunity in disruption. It was also a great demonstration of the Renew can-do spirit in action, bringing together a community of passionate volunteers freely sharing their expertise. Congratulations to all involved. This is what Renew is all about, and we need to do more of that.

The most important thing for Renew is that we all now focus energetically on our core purpose: responding to the climate emergency, delivering more and better services to support members and the community in their aspirations for living more sustainably, and advocating for policy change.

I want to thank all our staff, past and present, our members and volunteers, donors and supporters.

Special thanks are due to our former CEO Donna Luckman, who left Renew last December after 16 years with the organisation including six years as CEO from 2013.

Thanks also to Damien Moyses for his contribution as acting CEO from December to March. His calm guidance was reassuring for the team and for the Board alike.

We welcomed Paul Bowers as our new CEO in March. He took up his appointment a week before Melbourne went into first lockdown. Paul's leadership qualities and personal resilience have been critical in these unprecedented times. We look forward to working with him into the future.

Finally, I would like to thank my fellow Board members. Five new members joined the Board after the 2019 elections. Their skills, experience and fresh perspectives complement those of the continuing directors. Remarkably quickly, this diverse group of passionate people came together as an effective team, unified by a shared commitment to safeguard Renew's future. Among a group of hard-working volunteers who all devote considerable time and skill to Renew, our Treasurer Lou Scott deserves special recognition for going the extra mile over the past year.

The President's message in the ATA annual report for the financial year 2012/13 includes this note:

"It has been an eventful and challenging year ... Financial challenges at the ATA required difficult decisions from Board and management including a reduction in positions and overall expenditure."

It has been sobering for the current Board and management to find ourselves facing the same situation again only seven years later.

Guided by our commitment to the values and vision of Renew, our Board is determined to break this recurring cycle to strengthen the organisation for the benefit of future generations.

Thank you all for your continued support for Renew.



Gerlinde Scholz
President



KEY WORK

Publications

Our magazines *Renew: technology for a sustainable future* and *Sanctuary: modern green homes* continue to provide leading independent information on trends in sustainable technology and design.

Sanctuary is Australia's only dedicated sustainable house design magazine, profiling the best in environmentally aware architectural and design solutions. *Renew* is the nation's premier magazine on practical, cost-effective technologies for an environmentally sustainable home and lifestyle.



DECEMBER 2019

Renew Magazine celebrates 150 issues

Early in 2020, Renew Magazine celebrated an enormous milestone — 150 issues. Edited by Robyn Deed, this issue looked back on how we've chronicled changes in sustainable technology over nearly 40 years.

Initially called Soft Technology, the magazine has grown to a readership of over 70,000 since its first issue in 1980.

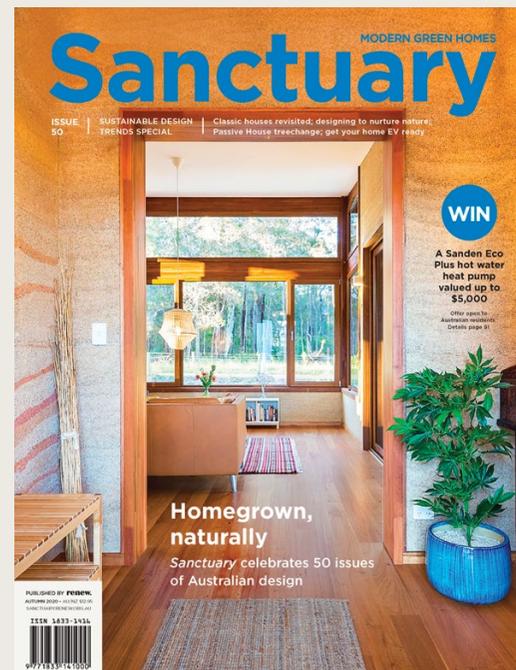


FEBRUARY 2020

Sanctuary Magazine celebrates 50 issues

Back in 2005, Sanctuary was launched to showcase beautiful Australian homes with cutting-edge sustainability features that few were then considering. Since then these topics have entered the mainstream, and the magazine has grown to be a trusted voice of integrity for homeowners, architects, experts and dreamers alike.

In this milestone issue edited by Anna Cumming, we took a look back at the history of energy-efficient housing in Australia since Sanctuary was first published.



● Readership of almost 90,000

● e-bulletin reach of 18,712

● 21,136 social media followers

Policy

Renew's Policy and Research team undertakes research, policy analysis and advocacy on behalf of consumers in the energy, water and transport markets.

The team also offers project consulting services to a large range of commercial, government and community clients on the economic, technical, regulatory and operational aspects of efficient and environmentally effective technology and consumer behaviour.

DISTRIBUTED ENERGY ENABLEMENT

Towards the end of the 2019/20 financial year, Renew delivered the first stage of our industry-leading Distributed Energy Resource (DER) Enablement project.

This research project considers how best to manage the future integration of solar PV and other DER in our electricity grids – in particular, Renew is trying to understand the opportunities and costs for enabling much higher penetrations of DER in our grids over the next two decades.

The project highlighted the incredible complexity of DER-integration issues and the great deal of work that still needs to be done. It showed us conclusively that:

- different distributors are at vastly different starting points regarding DER penetration and operational visibility;
- a more comprehensive and sophisticated approach is needed to fully consider the cost–benefit relationships between different approaches; and,
- to fully understand the benefits, the impact of DER on wholesale prices must be assessed.

A more comprehensive approach is needed to fully examine all issues and potential solutions. Renew recently secured significant additional funding from Energy Consumer Australia and has commenced a second stage of this project, due for completion by mid-2021.



KEY WORK

Advocacy

Renew provides powerful advocacy generated from our practical experience, analysis, extensive networks and national reach. We advocate in government and industry arenas for policies that support and encourage sustainable living and housing. We push for the removal of barriers to make sustainable living affordable and accessible.

ENERGY SYSTEMS TRANSITION

Renew continues to stay in touch with the significant transition happening in our energy markets, and in particular the overall plan for Australia's main electricity grid – AEMO's Integrated System Plan (ISP). Renew previously asked AEMO to ensure that the ISP included a 100% renewable grid scenario – and in the delivery of the final plan, AEMO did include a “step-change” scenario – that envisaged a much higher uptake and faster transition to renewables over the next two decades. Renew also published papers during the year questioning the (slow) pace of transition, the integration of distributed generation and the role of hydrogen.

CONSUMER-FOCUSED ENERGY MARKETS

Renew continued its advocacy for consumer-focused energy markets in 2019/20, advocating for fair consumer protections for customers of new energy products and services, and bringing a consumer perspective to a number of energy market reform processes that are looking at how the energy system needs to change as it transitions toward a new era of decentralised and zero emission generation, and greater engagement from end-users — or as we like to call them: people. Our advocacy also focussed on changes to pricing and access to local networks for customers with distributed energy resources (DER), calling for a robust methodology for determining the value of DER to the wider community, and recognising the conveyance of energy from customer-owned DER as a basic network service.



CLIMATE RESILIENT HOMES

Renew has continued to lead a campaign for serious action to make Australia's homes fit for purpose in the face of the climate emergency. We are building a coalition of community organisations and advocates that is pushing for climate resilient housing.

A key focus of our advocacy has been the push to raise the minimum energy standard of new homes from 6 stars to 7+ stars in the National Construction Code, which is being reviewed ahead of a planned update in 2022. In July 2019 Renew successfully secured a role in the Australian Building Codes Board energy efficiency working group to represent consumers in a typically industry-dominated process. We worked with our community partners to provide detailed policy input through the NCC 2022 Scoping Study process; this advocacy contributed to a promising outcome that could lead to increased energy efficiency standards and higher requirements for solar PV in new homes. With public consultation set to take place in 2021, Renew staff continue to engage closely with the technical design of new energy standards.

Alongside new homes standards, we have worked to secure key energy policies for existing homes such as minimum rental standards, mandatory energy rating disclosure, and energy retrofit programs. Following advocacy from Renew and our partners, COAG Ministers agreed in November 2019 to the Trajectory for Low Energy Existing Buildings, adopting many of Renew's policy recommendations. This policy process is set to continue into 2021 and Renew staff continue to engage with government policy development through advisory groups on areas including energy ratings, disclosure, rental standards and energy hardship.

As with so many other areas of Australian public life, the Coronavirus pandemic had a significant impact on housing policy. Renew worked closely with our community coalition partners to advocate for a major program of energy efficiency retrofits targeting social housing, renters and people on low incomes as a key component of a green recovery plan. Our National Low Income Energy Productivity Plan would create jobs by rolling out energy upgrades in up to 1.7 million Australian homes.

KEY WORK

Events

SUSTAINABLE HOUSE DAY 2019

Sustainable House Day is a national event providing an opportunity for people to visit sustainable homes and see first-hand how to make their own homes more environmentally friendly, comfortable to live in and cheaper to run. 2019 saw Renew coordinate another hugely successful Sustainable House Day.



● 44,500 visits recorded

● 252 participating homes

● 124,680 website visits

● 9108 social media followers



Expert Advice

Renew continues to guide people, communities, local councils and businesses in their decision making regarding sustainable technologies through our advisory services.

Renew's Energy Consults provide detailed advice on solar, batteries, heating, cooling, hot water, other major appliances, building efficiency, electric vehicles and energy bill management.

Renew assisted almost 1,000 members and non-members through our Energy Consults and our free membership advice service throughout the year. Since its release in late 2017, over 10,000 people have used Renew's free online solar and battery calculators to source advice on likely bill savings and emissions reductions from the installation of solar and battery systems.

During the 2019/20 financial year Renew also provided the calculator for the South Australian Government's Home Battery Scheme.

● Almost 1,000 consults given

● Over 10,000 users of our free online solar and battery calculator since 2017

● SA Government Partner



SPEED DATE A SUSTAINABILITY EXPERT

Speed Date a Sustainability Expert is an event series designed by Renew that provides the opportunity for participants to sit down with Australia's leading green architects and sustainability experts to seek advice and guidance.



In the 2019/20 financial year, Renew conducted six popular Speed Date a Sustainability Expert events in two states, in collaboration with local councils and a major bank. Tailored advice was given to approximately 250 people through 450 'dates' with 90 sustainability experts ranging from architects and building designers to water and energy efficiency experts, builders and garden and solar specialists.

● 6 Speed Date events

● 250 participants

● 90 participating experts

● 6 local councils engaged

KEY WORK

Members' Branches

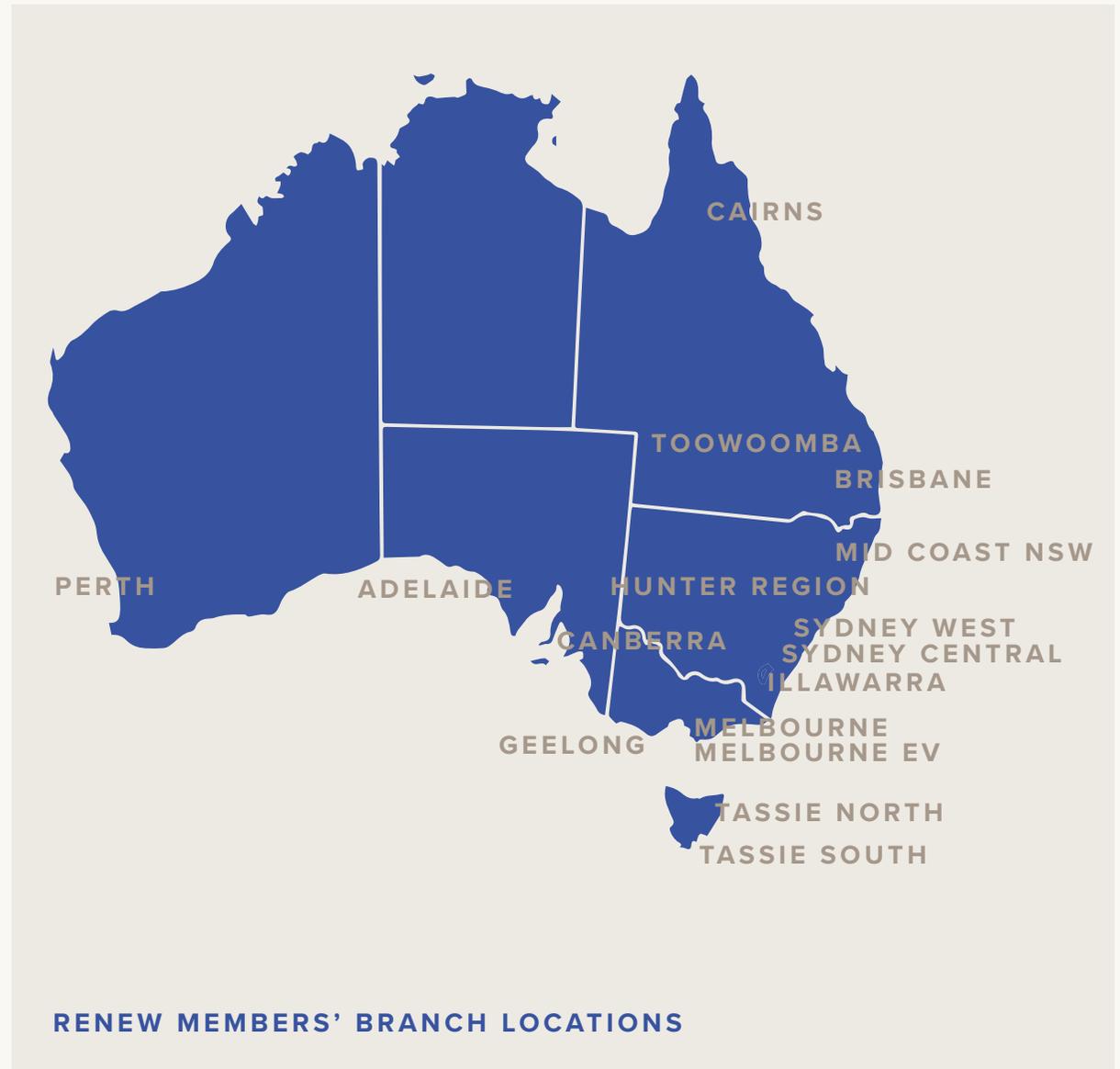
Renew engages with more than 250,000 people each year around Australia and beyond. We work with more than 11,000 members in a network of 16 active members' branches throughout the country.

Our Members' Branches form an integral part of what we do. Completely voluntary, they are made up of committed and passionate individuals who offer their expertise, time and energy to facilitate events, participate in research projects, and help drive our mission and goals.

Later in the year, COVID required all Members' Branch events to pivot to an online format. This change in approach — which was embraced by and then driven by Branch Convenors — has opened up previously unknown potential for engaging broader audiences in sustainability.

AFTER THE TRANSITION TO VIRTUAL EVENTS IN APRIL 2020:

- 15 webinars hosted
- 4,494 people engaged nationally
- Attracting \$5,217 in donations
- \$10,731 in tickets sales



KEY WORK

Partnerships

Renew works closely with project partners including research institutions, governments and industry to ensure our information and advice maintains relevance and keeps pace with the rapidly evolving market for efficient, sustainable technology.

QUEENSLIFF ALTERNATIVE ENERGY STRATEGY

Renew assisted the Borough of Queenscliffe, along with the local community, to assess the overall stationary energy use in the municipality and come up with a plan identifying key opportunities in a switch to higher efficiency, greater renewable energy and less gas use over the next decade.

SOLAR VICTORIA

Throughout 2019/20, Renew acted as the main communications and content partner for Solar Victoria’s website, communications and support packages to their customers, and content for their e-newsletters.

As the Victoria Government’s dedicated solar agency, Solar Victoria has one of the largest support programs for solar, efficient hot water and batteries in the country. Renew developed specific Buyers Guides and Welcome Packs for householders receiving a rebate for one of the eligible technologies, that further assisted in their understanding of their new technology and how to further improve their home making it more efficient, more renewable and all-electric.

GREEN DEVELOPERS

Renew has increased the number of “green” property developers we are working with, advising on the set up and design of new developments across the country. Leveraging our original work over the past few years with the likes of The Cape and The Paddock eco-developments, Renew is now being called upon by a range of medium and large scale property developers to advise on how to achieve high efficiency, all-electric, renewable greenfield developments from a building, appliance and grid connection perspective. This has provided the opportunity to provide further real world case studies and evidence that can support our Climate Resilient Homes campaign.

QUEEN VICTORIA MARKETS SOLAR GARDEN

Renew worked with our project partners Point Advisory and the EnviroGroup to deliver a feasibility study for a “Solar Gardens” project at the Queen Victoria Markets for the City of Melbourne. Renew undertook analysis of a range of different solar and battery system designs (up to 2MW and 2MWh) that considered both on-site usage and the sale of the solar electricity to apartment dwellers and low income households in the CBD.



Solar in Timor Leste

Since 2003, Renew has been working with communities in Timor Leste to provide clean, renewable lighting and electricity.

In 2019/20, Renew continued to build on this work. We installed solar power on two health clinics, three community centres and seven schools in Baguia and Atauro sub-Districts. Renew installed its last Village Lighting Scheme project, providing 49 houses with solar power in the Fatumean sub-District, bringing the total households

reached via this model to 2,133. Learning from and building upon our experience with the Village Lighting Scheme, Renew has been supporting an enterprise led approach to bring light to off-grid homes. This year, we worked with our local social-enterprise partner to install another 200 homes with solar power in the Baguia sub-District. Under this model, families pay off their solar systems over two years, which facilitates regular income for the social enterprise to employ technicians and maintain the systems. Renew has secured funding from Rotary to help support the enterprise and to light up another 300 to 400 households in 2020/21. Further, we continue to work with

our local partners to build technical skills, which creates employment opportunities, with 8 students completing a certificate II photovoltaics course in 2019.

Renew has decided to close our program in Timor Leste by June 2021. Between now and then, we will be installing another 5 community buildings with solar power on Atauro. We will also work with our social enterprise partner to build capacity, and working capital, to enable it to continue bringing modern lighting to off-grid families well beyond Renew's departure.

Thank you to all our volunteers, partners and supporters who make our work in Timor Leste possible — see page 17.



CNEFP Technicians installing a solar system at Adara Health Clinic, Atauro (Nov 2019)



Boat access only to many 2019/20 installations on Atauro (Nov 2019)



Local technician, Leao Mariz, installing a "Pay-As-You-Go" lighting system in Baguia, Baucau (Feb 2020)

Major Supporters

Renew is grateful to everyone who has supported us over the past year. We value every donation and strive to maximise its impact to enable, inspire and advocate for sustainable living.

We would like to thank our major supporters throughout the year including:

ACME Foundation
Australian Communities Foundation
Australian Ethical Investment Ltd
Community Impact Foundation
Flow Power
Games for Good
H&K Johnston Family Foundations
Just World
Lord Mayor's Charitable Foundation
Meyer Timber Pty Ltd
Naylor-Stewart Ancillary Fund
North Sydney Council
The Pace Foundation
Upotipotpon Foundation

As well as the many donors who prefer to remain anonymous.

LEGACY GIVING

Every gift, no matter the size, makes a significant difference and identifies you as a Sustainer in Renew's Community of Change.

When we reflect on what our legacy will be, loved ones always come first. For many Australians, there is also room to support causes and issues that we are passionate about, by leaving a gift in your Will or naming a charity as a beneficiary of your life insurance or superannuation.

By supporting Renew with a bequest, you are helping us to inspire, represent and enable sustainable living in households and communities across Australia. Your gift will help generate a tipping point in sustainability, creating a legacy that is both long-lived and without borders.

Renew is also happy to accept donations in honour of, or in memoriam.

For more information and contact details please visit <https://renew.org.au/donate/legacy-giving>



Thank you

Renew would not have its impact without our network of supporters and partners who are all part of our community of change. We would like to thank everyone who has enabled us to enable, inspire and advocate for a sustainable future throughout the year including:

MEMBERS' BRANCH CONVENORS

Alan Strickland
Alex Mills
Anne Watson
Blake Ramsey
Carrie Wilkinson
Chris Moss
Daryl Douglass
Ewan Regazzo
Graham Hunt
Greg Berry
Greg O'Byrne
Jenita Enevoldsen
Jenny Dibley
Marisa Pizzica
Mark Tranter
Peter Lyons
Peter Overton
Phil Dolan
Rick Molloy
Robin Gardner

Ross Campbell
Sheryl Backhouse
Trevor Berrill
Zak Nicholson

Our Convenors are supported in running their Branch activities by a host of active Volunteers.

RENEW LIFE MEMBERS

Alan Hutchinson
Alan Pears
Alan Strickland
Chris Moss
Godfrey Davies
Michael Harris
Michael O'Connell
Noel Jeffrey
Paul Fritze
Ryan Szloch

SOLAR IN TIMOR LESTE

Thank you to all our volunteers, partners and supporters who make our work possible including;

Atauro Administrative Post
Barry's Place
CNEFP Tibar
Baguia sub-District Administrator
Roman Luan
Rotary
Timor Adventures
Covalima Community Centre
Department of Renewable Energy
Ho Musan Ida
Mario's Place
Mira Fonseca
Pixelasia Productions

OTHER INTERNATIONAL PROJECT PARTNERS

Andrew McNaughtan Foundation
Australian Ethical
Colin Easton
DPA Solar
Friends of Lacluta
Friends of Suai/Covalima
Games for Good
Green Light Planet

H&K Johnston Family Foundation
John Tilleard
Kovess International
Mark Young
Plasmatronics/Alan Hutchinson
USAID Tourism for All
Xpand Foundation

SUSTAINABLE HOUSE DAY

We are grateful for the support of our sponsors who enabled Sustainable House Day to achieve the impact it has in creating a sustainable future.

SPONSORS

AusBale
Bank Australia
Cargocycles
2021
Humanitix
Island Energy
Metricon
Mirvac
Shine Hub
Solar Dwellings
Stiebel Eltron
Victoria State Government - Sustainability Victoria
Victoria State Government - Victorian Residential Scorecard

HOMEOWNERS

Sustainable House Day wouldn't be possible without the dedication and passion of our homeowners who open their lives up to sometimes hundreds of visitors, all in the name of sharing their sustainability journey. Thank you for all you do.

MONASH UNIVERSITY INTERNS

We had outstanding help from Ngoc Nguyen (Thanh) and Nora Muenzel who worked in the office two days a week to produce various promotional videos, social media content and administration duties.

VOLUNTEERS

We are also grateful for the ongoing support of Ruchita Panchal and Eshveen Kaur who volunteered their time to join us in the office during the lead up to SHD.

We want to thank the volunteers who came into the office to pack envelopes and get marketing material out to homeowners.

Thank you

We would also like to thank the numerous volunteers who help our homeowners on the day. Volunteers are a vital part of SHD providing support to homeowners and also valuable advice and information on the day.

SUPPORTING COUNCILS

Byron Shire Council
Central Coast Council
Eurobodalla Shire Council
Inner West Council
Lake Macquarie City Council
Northern Beaches Council
North Sydney City Council
Parramatta City Council
Penrith City Council
Queanbeyan- Palerang Regional Council
Randwick City Council
Shellharbour City Council
Willoughby City Council
Wollongong City Council
Adelaide City Council
Adelaide Hills Council
Mt Barker District Council
Yankalilla District Council
Armadale City Council
Augusta-Margaret River Council
Kalamunda City Council
Vincent City Council
ACT Government
Benalla Rural City Council

Bayside City Council
Banyule City Council
Bass Coast Shire Council
Baw Baw Shire Council
Brimbank City Council
Casey City Council
Frankston City Council
Glen Eira Council
Macedon Ranges Shire Council
Melbourne City Council
Maroondah City Council
Mildura Rural City Council
Mornington Peninsula Shire
Monash City Council
Nillumbik Shire Council
South Gippsland Shire Council
Surf Coast Council
Wangaratta Rural City Council
Wodonga City Council
Yarra City Council
Townsville City Council
Livingstone Shire Council

COMMUNITY SUPPORTERS

Australian Electric Vehicle Association (AEVA)
Australian Passive House Association
Green Building Institute
Green Fabric
Camden Community Connections Envirotecture
Hawkesbury EarthCare Centre

Narara Eco Living Network
Permaculture Sydney North
Permaculture Wollongong Institute
Southcoast Health and Sustainability Alliance
Sustainable Chippendale
Australian Tropical Research Foundation
LETS Community Exchange Inc. Capricorn
Coast Land Care
Emma Scragg Architect
Wild Mountains Trust,
Nature Play
Adelaide Sustainable Building Network
Climate Ready Communities (Australian Red Cross and Resilient South)
Earthship Eco Homes Goodhouse
Architecture
TS4 Living
SEE-Change Inc
Light House Architecture and Science
Baw Baw Sustainability Network
Benalla Sustainable Futures Group
Bendigo Sustainability Group
Ballarat Renewable Energy and Zero Emissions (BREAZE)
Clean Energy Nillumbik
EME Design
Geelong Sustainability Group Macedon Ranges Sustainability Group Renewable Energy Benalla Sustainable Monash
The Cape Sustainable Development

Victorian Residential Efficiency Scorecard
Warrnambool Environmental Action Group
East Coast Alliance
Sustainable Living Tasmania
Breast Cancer Research Centre WA
Home Base Perth
Mindarie Regional Council
Solar Dwellings
Sustainable Energy Now
Sustainable House Margaret River
Terra Design Lab

RENEW MEMBERS' BRANCHES

Adelaide
Brisbane
Cairns
Canberra
Geelong
Hunter Region
Illawarra
Melbourne
Melbourne EV
Mid Coast NSW
Perth
Sydney Central
Sydney West
Tasmania North
Tasmania South
Toowoomba

Treasurer's Report

The financial year that ended on 30 June 2020 has been a watershed year for Renew. We addressed underlying issues in Renew's operating model that had over a period of time built up to a viability challenge.

Following a reset of some fundamentals, the organisation is now on a much firmer footing for a sustainable future.

"There is no mission without margin" is a well-known truism in not-for-profit management, as our President has pointed out in her report.

Margins in the not-for-profit sector are typically and notoriously low. In June 2020, Social Ventures Australia and the UNSW Centre for Social Impact published a sector 'Financial health check'.^[1] They found that

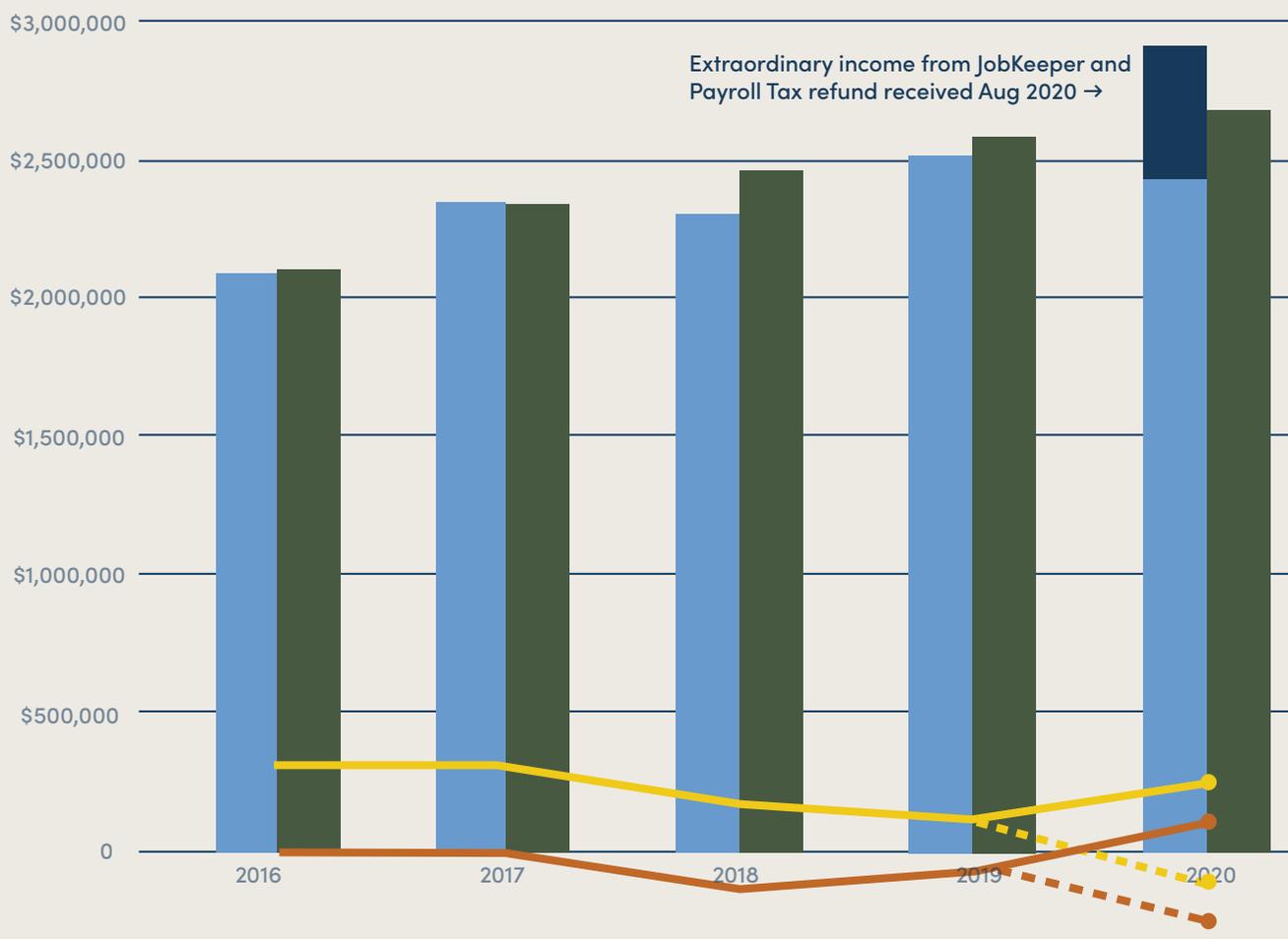
Before the COVID-19 crisis, most charities were already in a lean financial position. ... 65% had an operating surplus in 2018. However, they include a large group (25%) with an operating surplus of less than 5%, which provides very little buffer in the case of a shock or increased demand. When we add this group to the 35% of charities operating in deficit, 60% of charities included in the analysis are in a precarious financial position, with a deficit or very low level of surplus.

Charities in a precarious financial position included Renew. Renew had been operating without margin for a number of years, resorting to retained earnings to cover operating deficits. That is not a sustainable operating model for any organisation, least of all a charity that had limited retained earnings to begin with.

Renew started the 2019/20 year with a low level of equity. While the budget for the year had anticipated a trading surplus, the mid-year forecast provided by management showed that Renew was likely to finish the year with another operating deficit, calling into question the organisation's status as a going concern.

INCOME AND EXPENDITURE TREND

Source: Audited Financial Statements



Surplus/(Deficit)

Equity

Income from operating activities

Expenditure

Surplus/(Deficit) trend without extraordinary income

Equity trend without extraordinary income

While the financial statement for 2019/20 for Renew records a surplus of \$113,409 thanks to two extraordinary items, the accounts also detail that the organisation's ordinary activities resulted in an underlying operating deficit of \$246,134 that would have exceeded reserves available to cover the shortfall.

The temporary lifeline of government COVID19 stimulus payments from JobKeeper and government cash flow boost payments contributed \$230,900 in unbudgeted income between April and June. This enabled Renew to avoid insolvency.

On 31 August 2020, we were advised that Renew will be receiving a payroll tax refund of \$128,643 at some stage, relating to tax paid from 2015 to 2019. In accordance with the relevant accounting standard, this item has been included as revenue in the financial statements for 2019/20, but was not relevant for the deliberations about a reset of Renew's operating model, as the information was not available.

We were heading into the final quarter of the financial year in a pandemic-induced social and economic shut-down with the outlook for revenues highly uncertain and very low cash reserves. The challenge for the Board and management in these circumstances was to make decisions in the best long-term interest of the organisation, working from the best available information at the time.

The Board sought expert advice in April on a pro-bono basis. Whilst agreeing the financial situation was perilous, the Board rejected the recommendation of a voluntary administration and instead committed to a range of measures to safeguard Renew's financial position and improve its financial resilience. These measures included a restructure implemented towards the end of the financial year to help reset the cost base to match our economic reality and achieve operational efficiencies.

Organisations that experience financial difficulties all suffer the same basic predicament: they spend more than they earn. Renew's financial statements for 2019/20 show that operating revenues fell by 3.4% compared to the year before while operating costs grew by 3.9%, continuing the trend of a mismatch between income and expenditure.

With reserves depleted and the economic outlook uncertain at best, there was a sense of urgency about changing this operating model. Our aim was to reduce costs so that Renew could continue to operate with confidence after September 2020, the original end date for the JobKeeper program.

The necessary restructure resulted in a number of redundancies. We acknowledge that this was very difficult not only for the staff members directly impacted, but for the organisation as a whole and its stakeholders, including members.

Our reset changes also include improving financial reporting to support well informed Board and management decision making and enhance transparency and accountability across the organisation. We are also undertaking a review of the CRM to determine the best path forward with this important, but troubled and costly, project.

Whilst the economic outlook particularly in Victoria remains uncertain, Renew has strengthened its capability to scale up its offering as an effective source of consumer information and education, and to be a powerful advocate for sustainable housing based on independent, high quality research and expertise.

The success of the recent virtual Sustainable House Day is testament to the capabilities of a reinvigorated Renew team led by our new CEO Paul Bowers. Together, they brought the event to life under incredibly challenging circumstances and within a tight timeframe.

Our focus for 2020/21 is on delivering outstanding content across multiple platforms to engage with a broader and more diverse audience and building more and stronger partnerships to grow income, influence and opportunity for Renew.

Along with my Board colleagues, I want to thank all members, donors, volunteers and branches for their continued commitment and contributions that support the work of Renew.



Louisa Scott
Treasurer

Financial Statements

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2020

	2020 \$	2019 \$
Operating activities		
Revenue	2,444,705	2,530,830
Employee benefit expense	(1,513,432)	(1,602,485)
Consultants and professional fees	(271,851)	(138,842)
Printing and publishing expenses	(193,818)	(214,052)
Project materials	(167,838)	(45,502)
Postage and freight	(143,869)	(143,254)
Depreciation and amortisation	(80,682)	(29,787)
Subscriptions and memberships	(70,282)	(78,646)
Marketing expenses	(65,624)	(128,168)
IT and communications	(53,110)	(38,571)
Occupancy expenses	(36,668)	(53,772)
Travel expenses	(18,795)	(39,943)
Cost of sales	(14,803)	(21,013)
Other expenses	(60,067)	(55,583)
Surplus/(deficit) from operating activities	(246,134)	(58,788)
Non-recurrent activities		
Other income - Government Stimulus (COVID-19)	230,900	-
Other income - Payroll tax refund (2016-19 FY)	128,643	-
Surplus/(deficit) from non-recurrent activities	359,543	-
Surplus/(deficit) for the year	113,409	(58,788)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	113,409	(58,788)

Financial Statements

STATEMENT OF FINANCIAL POSITION

For the Year Ended 30 June 2020

	2020 \$	2019 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	572,722	653,216
Trade and other receivables	367,959	158,039
Inventories	5,724	47,227
Other assets	102,178	56,803
TOTAL CURRENT ASSETS	1,048,583	915,285
NON-CURRENT ASSETS		
Property, plant and equipment	27,257	34,714
Intangible assets	188,173	224,120
TOTAL NON-CURRENT ASSETS	215,430	258,834
TOTAL ASSETS	1,264,013	1,174,119
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	312,856	269,201
Short-term provisions	250,025	247,400
Other liabilities	459,418	525,283
TOTAL CURRENT LIABILITIES	1,022,299	1,041,884
NON-CURRENT LIABILITIES		
Long-term provisions	9,709	13,639
TOTAL NON-CURRENT LIABILITIES	9,709	13,639
TOTAL LIABILITIES	1,032,008	1,055,523
NET ASSETS	232,005	118,596
EQUITY		
Settled sum	10	10
Retained surplus	231,995	118,586
TOTAL EQUITY	232,005	118,596

Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2020

	Settled Sum \$	Retained Surplus \$	Total \$
2020			
Balance at 1 July 2019	10	118,586	118,596
Surplus/(deficit) for the year	-	113,409	113,409
Balance at 30 June 2020	10	231,995	232,005
2019			
Balance at 1 July 2018	10	177,374	177,384
Surplus/(deficit) for the year	-	(58,788)	(58,788)
Balance at 30 June 2019	10	118,586	118,596

Financial Statements

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2020

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, customers and donors	2,612,680	2,529,870
Payments to suppliers and employees	(2,661,978)	(2,683,418)
Interest received	6,082	12,194
Net cash provided by/(used in) operating activities	<u>(43,216)</u>	<u>(141,354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for plant and equipment	(1,278)	(1,405)
Payment for intangible assets	(36,000)	(103,991)
Net cash used by investing activities	<u>(37,278)</u>	<u>(105,396)</u>
Net increase/(decrease) in cash and cash equivalents held	(80,494)	(246,750)
Cash and cash equivalents at beginning of year	653,216	899,966
Cash and cash equivalents at end of financial year	<u>572,722</u>	<u>653,216</u>

renew.

Alternative Technology Association
trading as Renew Australia
ABN 57 533 056 318
Reg No. A0017411T

L1, 39 Little Collins St.
Melbourne VIC 3000
61 (3) 9639 1500
renew.org.au