



S<sup>v</sup> 2015

# Strategic 2012–15 Plan

Sustainability  
victoria





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# Our identity

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## Our vision

Victorians maximise value from resources to support a liveable and prosperous Victoria.

## Our purpose

Sustainability Victoria will drive integrated waste management and resource efficiency in Victoria.

# Introduction

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2011 was a year of reflection and renewal for Sustainability Victoria (SV). Six years after its inception, it was time to reflect on our successes and experiences and ensure we continue to address the contemporary needs of Victorians while delivering cost effective programs. The Review of Sustainability Victoria's Strategic Direction recommended improvements to focus our efforts and be more effective. We will implement these recommendations and this strategy, SV2015, will guide our transformation to a more effective, leading program delivery agency.

In 2011, the introduction of the Federal Government's Clean Energy Bills into Commonwealth Parliament triggered a review of the Victorian *Climate Change Act 2010*. The review supported a single national approach as the key driver to reduce emissions. This strategy is consistent with review findings and will ensure we minimise the impacts of the carbon price on the economy, households and business and avoid duplication of federal efforts to reduce carbon emissions.

Using resources, including materials and energy efficiently, while reducing waste is fundamental to Victoria's liveability and prosperity. Better management of waste and resources also has strong advantages for Victoria's productivity and competitiveness.

Over the next three years, we will drive integrated waste management and resource efficiency (energy and materials) in Victoria. We will do this by providing guidance, support and, working in partnership with our stakeholders, foster a common sense approach to environmental stewardship. Building our own core capabilities in governance and coordination, evidence based investment and outcomes, statewide engagement, and people and leadership will help strengthen this approach.

SV2015 will focus our efforts to achieve deep, measurable outcomes which are aligned to Victorian Government priorities. We will intervene only when government intervention is warranted and when SV is best placed to do so. Sound evidence will inform our decisions and investment priorities and we will strengthen our regional presence and partnerships throughout Victoria. This strategy ensures we will complement the role of our portfolio partners, including the Department of Sustainability and Environment, Environmental Protection Authority (EPA) Victoria, and the metropolitan and regional waste management groups.

The next few years will be a time of significant change in the way governments approach environmental issues as we address improved liveability and resource productivity. SV will ensure our strategic direction remains relevant and focused on achieving Victorian Government policy by regularly reviewing and scanning the context in which we operate.

I look forward to SV delivering integrated waste management and resource efficiency benefits for Victorians.



Dr Gillian Sparkes  
Chair

# Our strategic framework

Sustainability Victoria's strategic priorities and capabilities describe our focus.

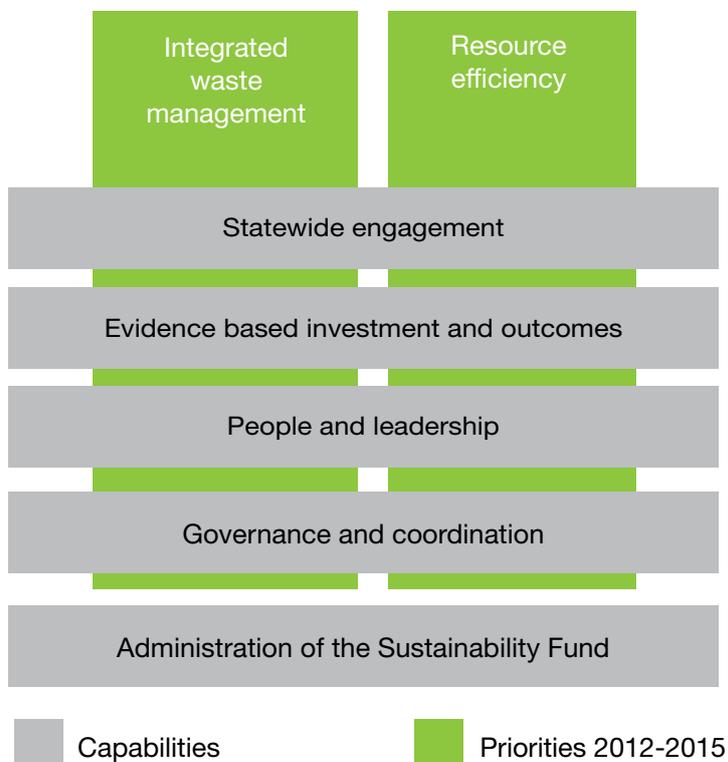
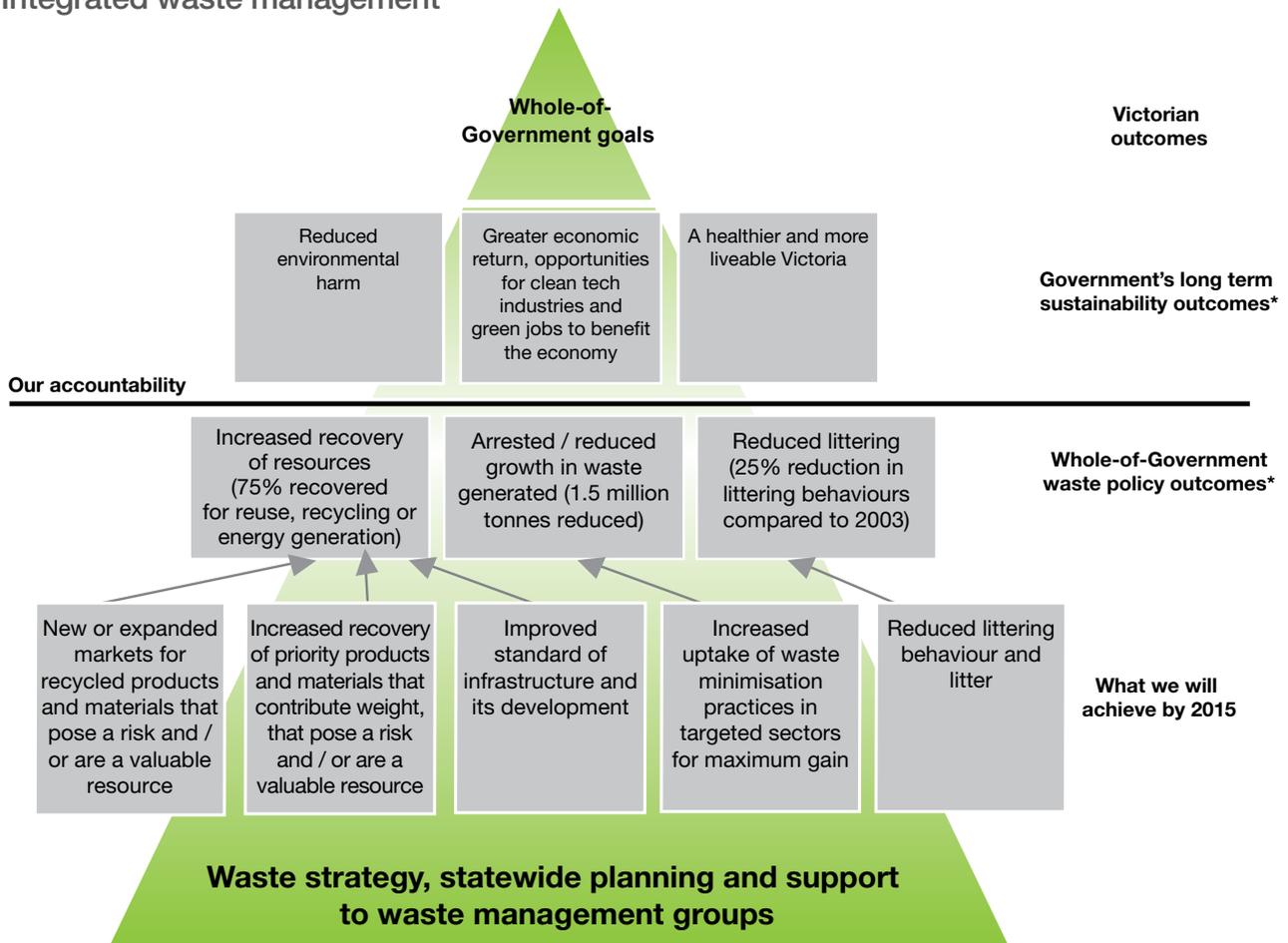


Figure 1 Sustainability Victoria's strategic priorities and capabilities

# Our priorities

Through our strategic priorities Sustainability Victoria will deliver outcomes to achieve government policies and long term sustainability outcomes.

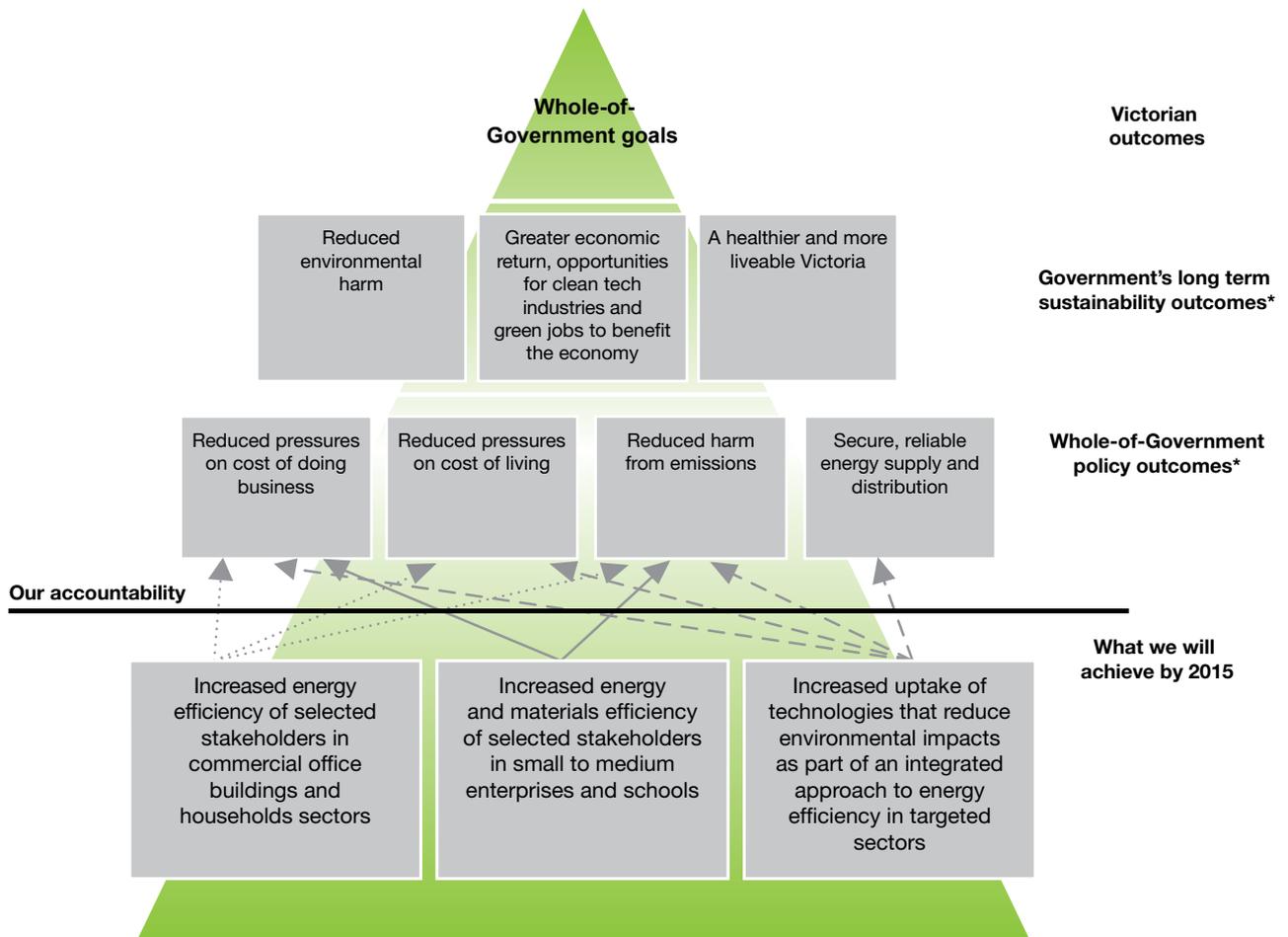
## Integrated waste management



\* Outcomes are reviewed in accordance with any future Victorian Government policies.  
The Towards Zero Waste strategy is currently under review. Victoria's new waste policy is expected in late 2012-13.

Figure 2 What we will achieve in integrated waste management by 2015 and its relationship with government policy and longer term sustainability outcomes

## Resource efficiency



\* Outcomes are reviewed in accordance with any future Victorian Government policies.

Figure 3 What we will achieve in resource efficiency by 2015 and its relationship with government policy and longer term sustainability outcomes

# Our role

## Our legislative and policy obligations

Sustainability Victoria (SV) was established by the *Sustainability Victoria Act 2005* to facilitate and promote environmental sustainability in the use of resources. It has obligations under the *Environment Protection Act 1970* for statewide waste management strategy and planning and administering the Sustainability Fund.

SV aims to provide statewide leadership in waste management. We are leading and coordinating the implementation of Victoria's Waste Policy and the 2005 *Sustainability in Action: Towards Zero Waste Strategy* (TZW). These actions will include implementing the recommendations from the Auditor General's review of *Municipal Solid Waste Management*, while working closely with industry, stakeholders and environment portfolio agencies to reduce waste and increase resource recovery.

We also work to improve materials and energy efficiency in selected sectors to help achieve the Victorian Government's policy objectives of reducing the pressures on the cost of living and of doing business, ensuring secure, reliable energy supply and distribution and reducing environmental harm from emissions.

SV implements government policies and initiatives by delivering targeted programs with a demonstrable impact in integrated waste management and resource efficiency (energy and materials).

## Our role in the environment portfolio

The environment portfolio provides the Victorian Government with policy advice, environmental regulation, programs to implement policies and reporting on the state of Victoria's environment (see Figure 4).

SV delivers programs to achieve the Victorian Government's policy objectives. We support and complement the work of our portfolio partners by providing advice to inform policy, and delivering programs that encourage organisations to go beyond the minimum environmental compliance requirements.

Close collaboration within the environment portfolio during the formation of the *Conserve, Invest and Save* funding package has seen the announcement of important flagship projects to support waste recovery and recycling infrastructure and improve selected rural landfill sites. Further projects are planned under this strategy.

We also support and complement other departments and agencies beyond the environment portfolio including the Department of Primary Industries in its role leading Victorian energy policy, Department of Business and Innovation in its role to promote economic development and the development of Victoria's clean tech sector.



Figure 4 Sustainability Victoria's role in the environment portfolio

# Our transformation

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The 2011 Victorian Auditor-General's report, *Municipal Solid Waste Management*, the 2011 *Review of Sustainability Victoria's Strategic Direction* and our own reflections on performance, identified that SV's focus and operations needed to change in order for us to deliver enduring and demonstrable outcomes and cost-effective programs.

Through these reflections, we have understood that over the last five years we raised awareness and promoted sustainability across Victoria. Our influence has been broad and has touched a diverse range of sectors within our economy.

Awareness of sustainability and our use of resources and waste are now much higher. But we also understand that Victorians and Victorian businesses are now looking for practical guidance to improve resource efficiency and productivity. We will focus on providing this guidance and making our services more accessible to ensure better outcomes for all Victorians.

SV2015 seeks to transform our organisation so that by 2015 we will be:

- + leading statewide strategy and planning
- + improving materials and energy efficiency within targeted sectors
- + using evidence to make informed and transparent decisions
- + aligned to the shared aims of the environment portfolio
- + integrated with whole-of-government priorities
- + engaged with stakeholders in regional and rural Victoria and metropolitan Melbourne
- + strategically applying investments to deliver measurable outcomes.

# The next three years

## Our strategic framework

Sustainability Victoria's strategy guides our transformation. Over the next three years we will drive integrated waste management and improved resource efficiency across Victoria. To do this we will build our core capabilities in five areas.

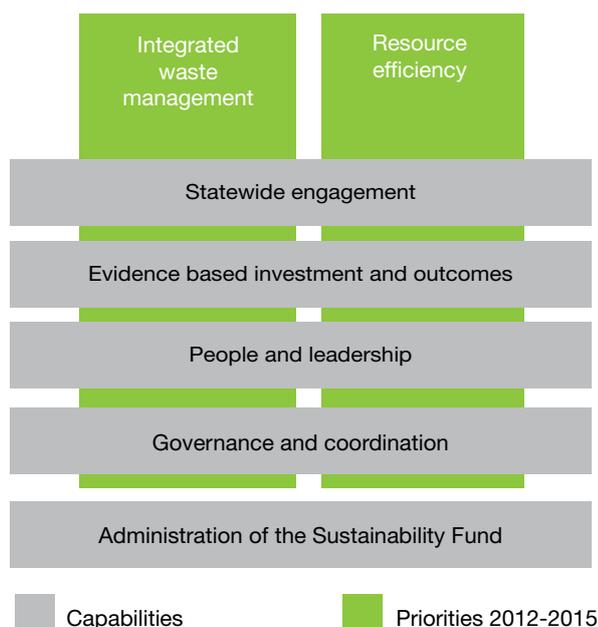


Figure 5 Our Strategic Framework

Our strategic framework positions us to meaningfully contribute to a more sustainable Victoria in the context of a growing economy and demand for resource productivity, a growing population, changing climate and carbon constraints. We understand that within this context, government intervention is warranted to:

- + address market failure and barriers (e.g. inadequate information)
- + better manage risks (e.g. reducing environmental harm)
- + improve liveability (e.g. supporting vulnerable populations).

We will only act when one or more of these preconditions is met. We will also develop decision making principles to ensure our action is warranted, effective and efficient and to choose priorities soundly. Such principles may include:

- + being clear on the problem to be solved and the outcome sought
- + confirming there is a role for government and that public good outcomes will be achieved
- + confirming that we are best placed to lead an intervention on behalf of the Victorian Government
- + choosing and targeting interventions that focus on the biggest issues impacting Victoria's liveability and prosperity
- + developing a range of feasible options
- + assessing benefits and costs of options, with regard to equity of outcome, complementarity to other government initiatives and potential impacts now and in the future
- + assigning priority to the option that generates the greatest net benefit for the Victorian community.

At a program level, we will consider a range of options for achieving outcomes and will design our programs using logic models to confirm we do the right things and know whether what we do is having an impact.

We will also design and prioritise our work in accordance with findings of the *Review of the Climate Change Act* released in 2011. This includes delivering programs that complement and do not duplicate federal programs.

# Our strategic priorities

## Integrated waste management

Integrated waste management is the management of the entire waste system including avoidance, generation, collection, recovery, reuse, treatment and disposal (see Figure 6).

Figure 6 Life cycle of waste system



## Opportunities

The generation and better management of waste presents opportunities and challenges for Victoria.

The opportunities include maximising the value of resources by recovering and reusing materials; minimising the environmental impacts associated with disposing of waste to landfill; and ensuring that the essential service of waste management meets community expectations now and in the future.

Waste going to landfill represents a valuable resource that, when recovered, adds value to the economy. On average, recovering and recycling materials contributes an additional \$100 per tonne to the Victorian economy compared to sending those materials to landfill<sup>[1]</sup>.

The value of the entire waste and recycling activity in Victoria is estimated at \$2.153 billion<sup>[2]</sup>. In June 2010, there were 672 businesses operating in the waste management industry in Victoria, employing 7,848 people<sup>[3]</sup>.

The government's *Conserve, Invest and Save* funding package presents an immediate opportunity to work with local councils and the waste industry to improve waste infrastructure, increase recovery and recycling and to target organics in the waste stream.

Furthermore, the recycling of waste materials, including metals, glass, paper and cardboard and plastics into new products, generally requires less energy than creating these from virgin materials<sup>[4]</sup>.

At a local level there are environmental impacts from disposing certain types of waste in landfills, especially waste that breaks down to generate potentially dangerous chemicals that move through soil and groundwater. Waste that decomposes in landfill, including organic material, can generate odour and methane. SV2015 will reduce these methane emissions and contribute to long term government sustainability outcomes to reduce environmental harm from emissions and waste disposal.

The waste sector also provides an essential service to the Victorian community. Waste management is part of every Victorian's daily life from kerbside collection at home through to the recovery of commercial and industrial waste at the state's largest industrial sites. While the level of resource recovery has progressively increased since the mid 1990s, a number of challenges remain for the industry, including increased investment risk from volatile commodity markets.

Victoria's infrastructure has not kept up with growth in waste volumes or contemporary standards of management expected by the community, despite previous projects aimed at improving infrastructure. For example since 2009, four facilities that produce compost from garden waste in the Melbourne area have closed because of poor environmental performance especially related to odour. This makes recycling garden organics more difficult.

Through better planning and alignment to whole-of-government directions, and substantially increasing our investment in the necessary infrastructure and systems, we will ensure economic gains from resource recovery are maximised, environmental impacts are minimised and community expectations are met. We will also invest in and foster a critical part of the Victorian economy.

[1] Sustainability Victoria calculations based on Inside Waste, Industry Report 2011-2012 data

[2] Inside Waste, Industry Report 2011-2012

[3] Waste Policy Review Discussion Paper, DSE, 2012

[4] Grant T, James KL, Lundie S, Sonneveld K (2001) Stage 2 Report for Life Cycle Assessment for Paper and Packaging Waste Management Scenarios in Victoria, Centre for Design at RMIT University, Melbourne

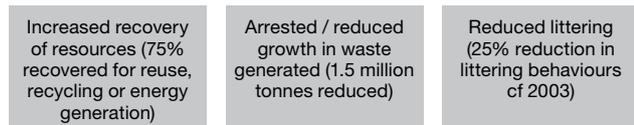
## Our role

Sustainability Victoria's role is to lead integrated waste management in Victoria. This reflects our statutory role under the *Environment Protection Act 1970*<sup>[6]</sup> to plan statewide management of solid industrial waste.

We are responsible for leading and coordinating the implementation of waste policy. In 2011, the Victorian Auditor General in his report *Municipal Solid Waste Management* found Sustainability Victoria did not effectively fulfil its role in managing municipal solid waste and implementing the TZW strategy.

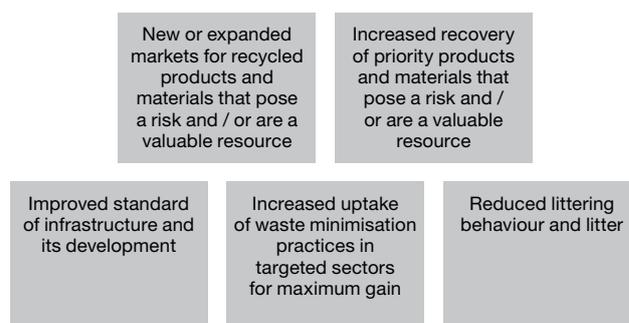
## What we will do

SV will lead integrated waste management by working with the Department of Sustainability and Environment, the Environment Protection Authority (EPA) Victoria and waste management groups to deliver the targets set in the TZW strategy and support the development of a new waste policy:



We will work more closely with the waste sector to better understand and respond to market drivers and barriers. We will also work more closely with local government to optimise the recovery of recyclable materials through kerbside collection and the extensive network of transfer stations and resource recovery facilities. Through the waste sector and local government, we will work with business and community sectors that represent the best return on investment to achieve our outcomes.

The joint delivery of integrated waste management in Victoria is supported by a levy on waste disposed to landfill. Community and industry expectations for how the levy is reinvested are high. We accept this accountability. Over the next three years we will invest our allocation of the levy to deliver:



[6] Part IX, Section 49L

## Resource efficiency

Our approach to resource efficiency is to maximise the value derived from energy and material resources used in Victoria while minimising environmental impact.

## Opportunities

Victorians consume resources to support their lifestyle at home, at work and in their leisure time. The community and economy pay the direct and indirect costs of the materials and energy consumed and the impact arising from their provision. Pressures on resources are also increasing as Victoria's population continues to grow. Consequently, the efficient use of these resources is vital to maintain affordable living conditions and a thriving economy underpinned by a healthy environment.

Energy and materials are finite and in many cases can be managed to achieve a greater output from the resources used. Achieving greater productivity from resources will reduce costs and the environmental impact associated with the extraction, use and disposal of materials and fuels. Increasing resource efficiency will contribute to improving productivity, reducing costs and increasing Victoria's competitiveness.

## Our role

There are many innovations in energy using equipment, energy supply technologies, energy efficiency and in material usage that are not yet widespread in Australia. We will work with targeted sectors to implement leading, cost effective practices and deploy new technologies so that Victorians have access to the best and cleanest opportunities to conserve resources.

The cost of materials can represent significant costs to business. Where possible we will work with businesses to help improve the efficient use of materials and help reduce the cost pressures on doing business. Where appropriate we will work with the relevant partner to conserve water in targeted sectors.

Alongside the business sector we will also work with and assist Victorian households and schools to use resources more efficiently.

## What we will do

We will concentrate our work in selected sectors with a significant potential and need to improve resource use. We will facilitate the uptake of practices that lead to greater efficiency in these sectors and ensure we support those sectors that need help in the context of a price on carbon.

In partnership with sector leaders and industry associations, we will assist business to:

- + adopt resource efficient technology
- + stimulate demand for resource efficient goods and services
- + see the tangible benefits of resource efficient building stock.

Over the next three years we will contribute to the following whole-of-government policy outcomes:

Reduced pressures on cost of doing business	Reduced pressures on cost of living
Reduced harm from emissions	Secure, reliable energy supply and distribution

We will do this by delivering:

Increased energy efficiency of selected stakeholders in commercial office buildings and households sectors
Increased energy and materials efficiency of selected stakeholders in small to medium enterprises and schools
Increased uptake of technologies that reduce environmental impacts as part of an integrated approach to energy efficiency in targeted sectors.

# Our corporate capabilities

## Statewide engagement

Sustainability Victoria will improve the way we engage with our stakeholders, clients and audiences. At the heart of our engagement is how we deliver services and value, provide access to our programs and the nature and strength of the relationships we develop. All of these elements have a direct effect on the success of SV2015.

We will be thoughtful, deliberate and responsible in the way we engage. Using our people and our regional presence we will focus on improving access to our programs and guidance for all Victorians particularly in regional Victoria. We will endeavour to understand local conditions and work with waste management groups, local government and other stakeholders to deliver better waste and resource efficiency outcomes.

Our efforts and commitment will be visible through delivery of our programs whilst listening and acting on the broader Victorian community's needs.

To successfully engage Victorians across the state, our objectives for the next three years are to:

- + maximise opportunities for regional Victorians to access programs that deliver integrated waste management and resource efficiency outcomes
- + strengthen strategic relationships with key stakeholders
- + provide excellence in service delivery to maximise access, provide better, more practical guidance and improve service to stakeholders, clients and audiences.

## Evidence based investment and outcomes

Working in the broad area of sustainability, we have had limited success in clearly articulating the basis for our investments and the value and contribution of our work to recover resources or achieve resource efficiencies. Consequently, in 2010, we implemented a more systematic approach to monitoring and evaluating our programs.

We will continue to develop this approach to build a robust evidence base from which informed decisions are made about how we invest our time and resources as well as demonstrate the benefits of those investments.

A focus on evidence based investment and evaluation will enable us to design, plan, deliver and adapt our programs to achieve the best possible integrated waste management and resource efficiency outcomes.

To build an evidence based culture, our objectives for the next three years are to:

- + prioritise investment decisions using our evidence base and within the priorities of our strategy
- + design, plan, implement, evaluate and adapt our programs using an evidence base
- + demonstrate the outcomes of our strategy and associated programs
- + provide credible and useful advice based on our program experience to inform policy development
- + develop and maintain an evidence base that supports our decision making and demonstration of outcomes.

## People and leadership

To deliver our commitments in SV2015, we will maintain and build the capabilities, skills, expertise and knowledge of our people.

To ensure that we successfully transform the organisation it is crucial that we retain, develop and attract a motivated, capable and diverse workforce. We will build our waste management expertise and other necessary skills. Our people will be supported by leaders who are able to communicate clear performance expectations that lead to high quality outcomes. We will be a supportive workplace that values staff efforts, nurtures talent and is committed to our safety and long term wellbeing.

To successfully transform the organisation, our objectives for the next three years are to:

- + attract, develop and retain the capabilities, skills, expertise and knowledge required to transform Sustainability Victoria and deliver this strategy
- + shift our actual culture towards the preferred organisational culture
- + support and develop our leaders to engage our people to maximise their potential in achieving our strategic objectives.
- + embed a safe and supportive working environment.

## Governance and coordination

To drive integrated waste management and resource efficiency we are committed to high standards of governance and decision making, accountability and performance while delivering programs coordinated within our portfolio.

Governance means the relationships between our Board and senior management, the Minister, stakeholders (including clients), and others interested in our activities, including regulators and auditors. It includes authority, accountability, stewardship, leadership, direction and control exercised within an organisation.<sup>[7]</sup>

The Victorian Auditor General in his report *Municipal Solid Waste Management* and the 2011 *Review of Sustainability Victoria's Strategic Direction* were both critical of our level of accountability and governance and the governance across the environment portfolio. Six years after Sustainability Victoria's creation we have matured and are committed to cultural changes that will result in good governance. We will achieve this by creating effective systems and processes and supporting our people. We will also be better portfolio partners and deliver complementary and aligned programs to achieve shared portfolio goals.

To ensure high standards of governance, accountability and performance, our objectives for the next three years are to:

- + improve our compliance with Victorian Government standards
- + increase our accountability, transparency, effectiveness and efficiency in line with Victorian Government standards
- + increase the delivery of complementary and aligned programs that achieve shared portfolio goals and align with Victorian Government directions.

[7] State Services Authority (2006) Legal form and governance arrangements for public entities

# Sustainability Fund

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The Victorian Government established the Sustainability Fund in 2004 to support programs and initiatives that facilitate resource efficiency and waste reduction, as well as assisting communities to improve the environment and respond to climate change. The Sustainability Fund is a perpetual fund that receives monies collected from the Victorian landfill levies.

Since the first round of funding was announced in 2005, the Victorian Government has committed over \$260 million from the Sustainability Fund towards sustainability projects across Victoria.

The Sustainability Fund Advisory Panel provides independent advice to the Premier and Minister regarding funding allocations.

## Our role

Sustainability Victoria is responsible for the Fund and manages the Fund through the Sustainability Fund Secretariat. The Secretariat manages the application and assessment process for open funding rounds and provides administrative support to the Sustainability Fund Advisory Panel. The Secretariat also works closely with funding recipients throughout the project cycle, facilitating funding agreements, project reporting and supporting project communications.

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**Sustainability**  
victoria

