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Part 1

Chair and CEO Foreword



In 2008–09, a number of major external influences affected the work of Sustainability Victoria.

The global financial crisis sharply reduced prices and demand in the Resource Recovery Sector in Victoria. This compromised the financial viability of a number of resource recovery activities and facilities, with resulting impacts on the shorter-term delivery of some of our waste reduction targets.

The emerging evidence of Victoria's great success in attracting people to live and work in the State has also challenged us to be more effective. We need to help people become more efficient in their use of resources to offset the potential environmental impacts of accelerated population growth.

The continued drought throughout much of the State and the devastating bushfires in February highlighted the potential and real impacts of climate change for Victoria. We are supporting the bushfire rebuilding effort by providing practical advice on how to make houses and communities more sustainable and safe, in the light of changing climatic and other environmental conditions.

At the same time, we have evidence from the 2009 *Green Light Report* that community understanding of the need to take urgent action about climate change continues to grow. This showed that Victorians remain very concerned about the environment, despite the financial crisis.

The Commonwealth Government's increased commitment to take action on climate change also brings new opportunities for collaboration and cooperation across all levels of government, to ensure we complement rather than duplicate policies and programs.

These developments were part of the context for a strategic review of where and how we spend our time and money. Key outcomes showed increased focus on using our expertise and relationships to help people adopt more sustainable practices, and working with a wide range of stakeholders to deliver an integrated approach to sustainability in critical areas, such as the built environment.

In terms of program delivery activities this year:

- + Victorians demonstrated their commitment to making their homes more sustainable, taking advantage of the solar hot water rebate in unprecedented numbers, with over 19,360 rebates processed in 2008–09, including 13,688 regional solar hot water rebates
- + businesses both large and small demonstrated their commitment to sustainability and were supported and rewarded through the Premier's Sustainability Awards and the Sustainability Fund
- + the official launch of the Carbon Down program in November signalled the start of a \$10 million partnership with the Victorian Employers Chamber

of Commerce and Industry (VECCI) that will deliver targeted information and incentives to Victoria's small to medium enterprises

- + the ResourceSmart School Awards at Federation Square in November recognised the next generation of sustainability leaders. With the support of our partners, under the ResourceSmart AuSSI Vic program, 600 primary and secondary schools are taking a whole-of-school approach to sustainability that supports action in the classroom and beyond
- + working with the Department of Sustainability and Environment, we assisted other state government agencies and local governments to measure and reduce their environmental footprint as part of the ResourceSmart Government program, as well as initiating pilot programs in the healthcare and tertiary education sectors.

Internally, our new organisational structure, effective from February, aligned our delivery with the goals set out in our new strategic plan, positioning us to deliver on our priorities to 2014. The Board also undertook a review of its performance, resulting in a reduced involvement in detailed operational issues and an increased focus on strategic issues and risks facing Sustainability Victoria.

We remain committed to improving our own environmental performance, with new objectives and targets for energy, water, waste management, paper, transport and sustainable procurement that support continuous improvement for 2009–10.

In the past year, we lost two of our esteemed colleagues: Pam Keating, who was Chair of Keep Australia Beautiful Victoria, and Sustainability Victoria staff member, Tom O'Neill. In honour of Tom, a dear colleague and friend, we have created a fitting and lasting tribute – the Tom O'Neill Fellowship.

Two highly experienced and valued board members, Don Chambers and Colin Sutherland, left the Board in 2008–09. We thank them for their valuable contribution to the organisation. We also welcomed two new board members, Nick Gruen and Tony Marxsen. Our thanks also go to all current Board, staff and project partners for their passion for and dedication to Sustainability Victoria's work.

The years ahead present significant challenges as well as opportunities for Victoria, as we work to reduce greenhouse gas emissions and best utilise our natural resources.

We look forward to continuing to work in partnership with governments, business and the community to deliver the Government's sustainability objectives.


Mike Waller
Chair


Anita Roper
CEO

Part 2

About Sustainability Victoria

Manner of establishment and responsible Minister

Sustainability Victoria is established under the *Sustainability Victoria Act 2005*. The responsible Minister for the 2008–09 reporting period was Gavin Jennings MLC, Minister for Environment and Climate Change.

Objectives, functions and powers

The objective of Sustainability Victoria is to facilitate and promote environmental sustainability in the use of resources.

The functions of Sustainability Victoria are shown at *Sustainability Victoria Act 2005*, Part 2(7).

The powers of Sustainability Victoria are shown at *Sustainability Victoria Act 2005*, Part 2(8).

Nature and range of services provided

Sustainability Victoria implements Victorian Government policy by working with business, government and the community to deliver tangible outcomes in carbon pollution reduction and the smarter use of energy, materials and water.

We work collaboratively, using strategic networks and partnerships with community organisations, industry and other local and state government, to ensure maximum effectiveness in achieving the Victorian Government's sustainability objectives.

Our vision

That Victorians use resources sustainably to support a thriving community and economy.

Our purpose

An agency of the Victorian Government, we are a catalyst for sustainable growth and development in Victoria. We bring together the knowledge and capabilities of people, organisations and communities to deliver integrated social, economic and environmental outcomes.

Our approach

We recognise that the current challenges we face cannot be addressed by any one person, organisation or community alone. Leveraging and supporting expertise and partnerships is fundamental to our approach to achieving the integrated social, economic and environmental outcomes needed for a sustainable Victoria.

Policy framework

The Victorian Government recognises that a healthy environment underpins Victoria's prosperity and wellbeing, and as such it should be considered in all activities.

Government goals for a healthy environment are stated in *Growing Victoria Together: protecting the environment for future generations and using natural resources efficiently*, (2004). To achieve these goals, the Government released *Our Environment, Our Future: Victoria's Environmental Sustainability Framework* (2005). This framework is based on key policies, including:

- + *Our Environment Our Future: Sustainability Action Statement* (2006)
- + Policy commitments including *Tackling Climate Change and Water: Making Every Drop Count* (2006)
- + *Renewable Energy and Energy Efficiency* action plans (2006)
- + *Sustainability in Action: Towards Zero Waste Strategy* (2005)
- + *Victoria's Greenhouse Strategy* (2002, 2005)
- + *Victoria's Greenhouse Challenge for Energy* (2004)
- + *Our Water Our Future* (2004, 2007).

The Victorian Government is also developing its climate change strategy. This strategy will complement national initiatives, including the Carbon Pollution Reduction Scheme the Australian Government is currently establishing as part of its framework for meeting the climate change challenge nationally.

Part 3

Our Board



Left to right: Mike Waller (Chair), Nicholas Gruen, Carolyn Lloyd, Mike Hill, Cheryl Batagol (Deputy Chair), Tony Marxsen, Tanya Ha, Mick Bourke

The Sustainability Victoria Board consists of eight non-executive members. Board members are appointed in accordance with the *Sustainability Victoria Act 2005*. The Minister for Environment and Climate Change is responsible for all Board appointments, thereby ensuring that Board members have the relevant skills, experience and knowledge to oversee our strategy and functions. The Minister for Energy and Resources and the Minister for Water each nominates one member to the Board.

Role of the Board

The Board is responsible for the good governance and effective leadership of Sustainability Victoria by:

- + setting the strategic direction, objectives and performance targets for the organisation
- + selecting the Chief Executive Officer
- + monitoring the operational and financial performance of the organisation
- + overseeing compliance with laws, regulations and other obligations
- + setting and monitoring internal controls to manage risks
- + ensuring appropriate conduct and effective stakeholder relationships
- + managing and monitoring the Board's and its committees' own conduct and performance.

Board members

Mike Waller, Chair

Mike is a director and co-founder of Heuris Partners Ltd, a consultancy specialising in the minerals and energy sectors. His earlier work experience includes appointments as Chief Economist and head of Environment and Community Relations Policy with BHP Billiton. He has held senior positions in the UK Treasury and a number of Australian government departments. Mike holds an honours degree in economics from the University of Reading and has undertaken senior executive training at the London Business School.

Cheryl Batagol, Deputy Chair

Cheryl is the Chair of the Victorian Environment Protection Authority (EPA) (from September 2009) and is a member of the Victorian Catchment Management Council. She is a former Chairman of Melbourne Water. Cheryl has 30 years experience in the waste management industry, including commercial, industrial and trade waste management and treatment. Cheryl served as the former Chairperson of EcoRecycle Victoria from 2003 to 2005.

Carolyn Lloyd

Carolyn has a long involvement in the building and construction industry and, in particular, initiatives promoting and supporting sustainable urban communities that demonstrate innovation and commercial success. She is currently Deputy Chair of VicUrban and a member of the Building Practitioners' Board. She is also the former Chief Executive Officer of the Housing Industry Association.

Mick Bourke

Mick is the Chief Executive Officer of Country Fire Authority and was previously Chair and Chief Executive Officer of the EPA until September 2009. Prior to this, he headed up organisations including City West Water Ltd and Coliban Water.

Mike Hill

Mike Hill has extensive experience advocating for local governments and environmental sustainability. Mike is a member of the Environment Protection Advisory Board Victoria and chairs the Victorian Local Sustainability Advisory Committee, ECO-Buy Ltd, the Moreland Energy Foundation and the Natural Resources and Conservation League. He is a co-director of WestWyck Pty Ltd, the company creating the WestWyck ecovillage

in Brunswick West. Mike was formerly Mayor of Moreland and Brunswick City Councils and Chief Executive Officer of the Victorian Local Governance Association (VLGA).

Nicholas Gruen

Nicholas Gruen has worked in economics and public policy at senior levels in both the public and private sectors. He was economic adviser to then Treasurer John Dawkins, Associate Commissioner on five inquiries and Presiding Commissioner on two inquiries for the Productivity Commission (then the Industry Commission). As CEO of Lateral Economics, he recently assisted the Minister and Department of Finance and Deregulation in developing their approach to 'continuous improvement in regulation' and the Australian Government Information Management Office on online engagement and Government 2.0 issues. He was a member of the Expert Panel inquiring into the National Innovation System.

Tanya Ha

Tanya is a science journalist, author and regular green commentator in the Australian media. She has a strong background in the not-for-profit environment sector and established the Melbourne office for the Planet Ark Environmental Foundation. Tanya is also a current board member of Keep Australia Beautiful (National Association).

Tony Marxsen

Tony Marxsen has extensive senior executive experience in the energy sector and a range of other industries, having had a 30-year career in the State Electricity Commission with responsibility for development and security of Victoria's power grid and its incorporation into the national grid. Tony has held senior Chief Information Officer roles in SECV, ICI Australia and TAC. Tony is currently a principal with The Nous Group.

Also serving on the Sustainability Victoria Board from July to September 2008 were:

- + Colin Sutherland
- + Don Chambers.

Operation of the Board

Governance

The Board is governed by its Corporate Governance Charter and Framework.

Board member	Meetings held	Meetings attended
Mike Waller, Chair	11	11
Cheryl Batagol, Deputy Chair	11	11
Carolyn Lloyd	11	10
Colin Sutherland	3	3
Don Chambers	3	2
Mick Bourke	11	10
Mike Hill	11	10
Nicholas Gruen	8	7
Tanya Ha	11	8
Tony Marxsen	8	8

Exhibit 1: Board meeting attendance

Board committees

Two committees assist in carrying out the Board's corporate governance responsibilities. Each committee operates under approved terms of reference, which are reviewed annually. Minutes of committee meetings are tabled at the subsequent Board meeting for noting.

Audit and Risk Committee

The main responsibility of the Committee is to ensure an appropriate control environment is maintained by the organisation, with a principal focus on risk management, statutory and regulatory compliance, financial management and audit assurance.

The Committee's key achievements were reviews of:

- + Sustainability Victoria compliance with the Department of Treasury and Finance Financial Management Compliance Framework

- + the Sustainability Fund
- + Sustainability Victoria organisational risk register
- + Sustainability Victoria Disaster Recovery Plan and Business Continuity Plan for its financial management
- + Sustainability Victoria ICT Risk and Threat Assessment.

The Chair's risk attestation is shown in Appendix 1.

The Audit and Risk Committee satisfies the criteria for independence in accordance with the Standing Directions of the Minister for Finance.

Membership and attendance: Mick Bourke (Chair), Cheryl Batagol, Mike Hill and Tony Marxsen.

Board member	Meetings held	Meetings attended
Cheryl Batagol (left Nov 08)	2	1
Mick Bourke	5	5
Mike Hill	5	3
Tony Marxsen (joined Nov 08)	3	3

Exhibit 2: Audit and Risk Committee attendance

Human Resources Committee

The Committee oversees the remuneration, Human Resources and OH&S practices at Sustainability Victoria.

The Committee's key achievements included:

- + reviewing, contributing to and monitoring the HR plans for improving organisational culture and retention and development of our employees
- + reviewing the desktop audit of Sustainability Victoria's occupational health and safety management system and monitoring progress in implementation of agreed actions

- + monitoring the actions identified in the HR risk register to mitigate people and culture risks and identifying trends in the quarterly HR metrics and the annual culture pulse check
- + signing off on the current year's performance process and timetable for managing CEO performance and an updated succession plan for the CEO role, and reviewing trends in the employee performance ratings for the year.

Membership and attendance: Carolyn Lloyd (Chair), Tanya Ha, Cheryl Batagol, Don Chambers.

Board member	Meetings held	Meetings attended
Carolyn Lloyd	4	3
Cheryl Batagol	4	4
Don Chambers	1	1
Tanya Ha	4	3

Exhibit 3: HR Committee attendance

Part 4 Our Executive Team



Left to right: Chiang Yip, Simon Clay, Anita Roper, Cameron Frazer, Merita Tabain, Ken Guthrie, Jan Trehwella. Absent Vera Lubczenko

Organisational structure

In 2008–09, Sustainability Victoria restructured to align business functions to our new strategic priorities and to further encourage collaborative ways of working. The following new functional areas were created:

- + Communications and Marketing
- + Corporate Services
- + Strategic Opportunities and Finance
- + Sustainable Production
- + Sustainable Living
- + Sustainable Environs

The new position of Deputy CEO is responsible for policy support, planning and coordination, and a range

of strategic projects. Cross-organisational teams work on these key business priorities. This allows us to bring together the right people without the constraints of functional boundaries or reporting relationships.

Reporting to the Deputy CEO, the Chief Financial Officer brings greater strategic focus to budgeting and is also responsible for governance and risk management. The new Corporate Services area provides coordinated support to the delivery areas of the organisation. Knowledge and information technology are included in Corporate Services to strengthen synergies between knowledge behaviours and organisational systems.

The Systems Architect role was created to develop our business information systems to better support service delivery. Marketing, communications and customer service now share one integrated communications and marketing function.

Sustainability Victoria has created an Executive Liaison area to enhance support to the Minister's Office, Board, CEO and Executive team on ministerial briefings, board meetings and specific projects.

Executive team

The Executive team comprises the CEO, five General Managers, the Deputy CEO and the Chief Financial Officer. The Executive team is accountable for the line management, strategic direction, key organisational functions and delivery of the programs in our Business Plan.

Executive team profiles

Anita Roper, CEO BA (Business Management)

Anita has over 25 years experience working with business, governments and communities to turn sustainability concepts into effective action. Working internationally for the past 10 years, Anita has held senior positions including: Director of Sustainability for Alcoa, New York; Member of the Secretariat for the Global Mining Initiative, London; Acting Secretary-General and Chief Operating Officer of the International Council on Mining and Metals, London; and Vice President of External Relations with the International Council on Metals and the Environment, Canada. Prior appointments included managing Western Mining Corporation's public policy unit and working with the then Australian Chamber of Manufacturers in strategy and environment roles. Anita was a board member of the Women's Network for a Sustainable Future and delegate to the World Business Council for Sustainable Development.

Anita joined Sustainability Victoria in July 2008.

Jan Trehwella, Deputy CEO BA (Hons)

Before joining Sustainability Victoria in October 2006, Jan was General Manager of the Vocational Education and Training Division of the Victorian Department of Education and Training. With more than 20 years of public sector experience, she has managed our relationships with government entities and developed strategies for the renewable, energy efficiency, materials and water sectors over the past three years. Jan is now the Deputy CEO and responsible for the Strategic Opportunities and Finance area of Sustainability Victoria.

Cameron Frazer, General Manager Sustainable Production BArch

Cameron has 10 years industry experience in project management roles. In 2001, Cameron took up a senior project management role in the Innovation Branch of the Department of Innovation, Industry and Regional Development. Six years there led to work in the industry/sustainability domain, which led to a senior management role at the Department of Sustainability and Environment.

Cameron joined Sustainability Victoria in May 2009.

Chiang Yip, Chief Financial Officer BCom, MBA, CA

Chiang's experience spans more than 20 years in the private and public sectors. Prior to joining Sustainability Victoria, Chiang worked with KPMG, advising clients on budget and financial management, systems and process improvement. He has also worked with the Department of Treasury and Finance and the New Zealand Treasury, pioneering the implementation of accrual-based financial management.

Ken Guthrie, General Manager Sustainable Environs BE, MEng Sci, Grad Dip Bus

Ken has 30 years experience in sustainable energy, encouraging the use of renewable energy and sustainability in energy supply, the built environment and government operations. He chairs the International and the Australian and New Zealand standards committees on solar water heating, and represents Australia on the Executive Committee of the International Energy Agency Solar Heating and Cooling Program.

Ken has been instrumental in the development and delivery of industry support programs that increase the deployment of sustainable energy technologies. He has also assisted in the development of regulations that promote energy efficiency and renewable energy use.

Merita Tabain, General Manager Communications and Marketing BA

Merita has more than 23 years experience in the communications and marketing sector. Before joining Sustainability Victoria, Merita was Executive Director, Strategic Communications at the Department of Innovation, Industry and Regional Development and delivered multi-million dollar campaigns and strategies. Before joining the public sector, Merita worked in local government and as a journalist.

**Simon Clay, General Manager
Corporate Services**

BE Chem (Hons), Grad Dip
(Env Studies), BAppSc
(Wine Science)

Simon has over 20 years environmental sustainability experience in the government, consulting and private sectors. Before being appointed General Manager, he was Acting General Manager of the former Business, Innovation and Technology Group. Immediately prior to joining Sustainability Victoria, he worked for five years for the non-profit organisation Australian Centre for Cleaner Production. Simon has worked on a number of resource efficiency and sustainability projects in Indonesia, the Philippines and India.

**Vera Lubczenko, General Manager
Sustainable Living**

BEd (Env Sci), Grad Dip (GIS)

Vera's career spans 25 years in the community, government, education and environment sectors. Before joining Sustainability Victoria in October 2006, she managed a range of statewide community-based natural resource management programs, including the Victorian Waterwatch program, regional catchment strategies and the Victorian Water Trust.

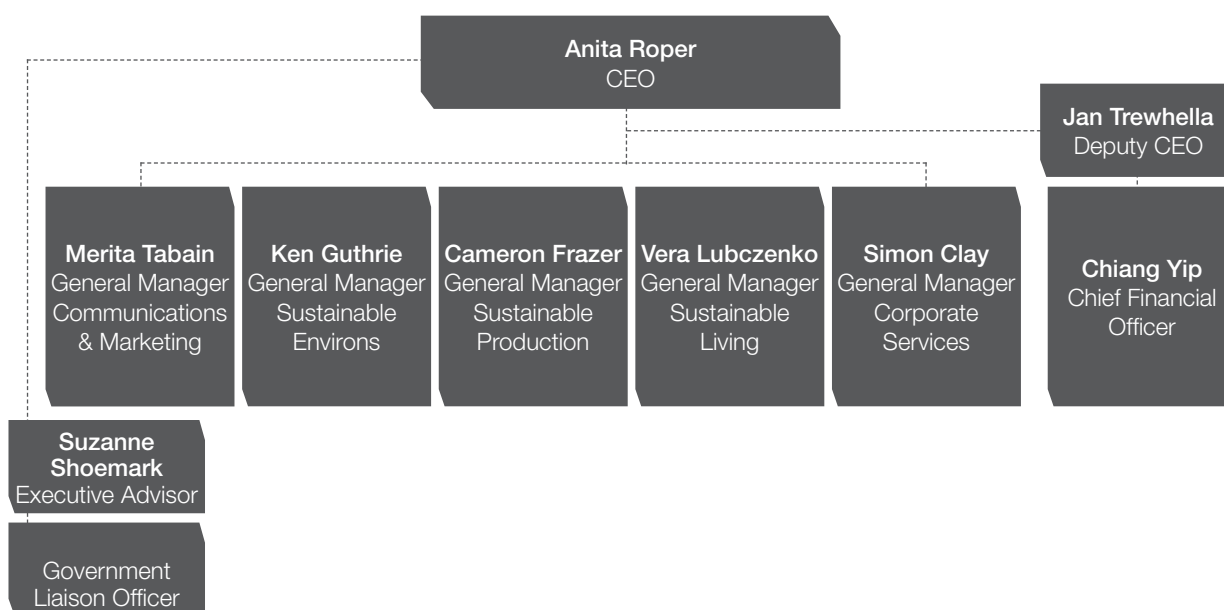


Exhibit 4: The Executive team as at 30 June 2009

Part 5

Our Performance

Key Objectives in 2008–09

Financial performance

In 2008–09, the Victorian Government gave Sustainability Victoria responsibility for a major initiative aimed at assisting people across regional Victoria to install solar hot water. The Government allocated \$33.0 million over three years for the Regional Solar Hot Water Rebate program. Regional Victorians' uptake of the rebate offered by this program exceeded all expectations resulting in the program funding being fully expended in its first year of operation.

Consequently, Sustainability Victoria expended \$31.6 million on delivering solar hot water to households across regional Victoria in 2008–09. This led to an overall deficit of \$0.2 million for the year.

As a result of the remarkable success of the Regional Solar Hot Water Rebate program the Victorian Government has extended it with further funding of \$6.85 million.

In general terms, by funding only a percentage (generally 10–50%) of an individual project's cost, Sustainability Victoria is able to leverage a greater benefit than would otherwise be the case.

Reducing Victoria's carbon footprint

Sustainability Victoria's targeted programs helped Victorians cut greenhouse gas emissions by 3.4 million tonnes in 2008–09. By helping others to take action, we are working toward cutting 10 million tonnes of greenhouse gas by 2010.

The ResourceSmart Governments program made the biggest contribution to our programs for reducing Victoria's greenhouse gas emissions. We achieved this through our work in the national Equipment Energy Efficiency Program, which establishes regulated Minimum Energy Performance Standards for appliances and equipment. In 2008–09, the program delivered an estimated 1.9 million tonnes of greenhouse gas abatement.

Our continuing support for the GreenPower brand saw Victorians purchase renewable energy in record numbers, reducing greenhouse gas emissions by 790,000 tonnes.

The ResourceSmart Buildings program achieved major greenhouse gas reductions through our continued support of the 5 Star building standard that reduced the greenhouse gas emissions of new homes built in Victoria by 427,000 tonnes.

Independent verification by Net Balance Management Group of greenhouse gas abatement claims presented in this report is shown at Appendix 2.

Program	Target	Actual
Business	318,000	184,100
GreenPower	546,000	790,000
Households and Communities	30,925	51,500
ResourceSmart Buildings ¹	778,407	427,000 ²
ResourceSmart Governments	1,436,000	1,900,000
ResourceSmart Materials	119,550	85,600
Total	3,228,882	3,438,200

Exhibit 5: Greenhouse gas reduction by program

1 The 5 Star building standard is a Victorian Government initiative implemented by the Department of Sustainability and Environment along with the Department of Planning and Community Development, Building Commission and Master Builders Association of Victoria. Sustainability Victoria worked with these agencies to develop the 5 Star standard and continues to support its implementation, particularly through developing and maintaining the FirstRate5 energy rating software program and training industry practitioners.

2 The measurement methodology for this program has been reviewed and there is a reduction of greenhouse gas saving per house built, which reflects improvements in construction that would have occurred as part of business as usual.

Working Towards Zero Waste

Working to the Towards Zero Waste Strategy targets, we are helping Victorians realise a ResourceSmart future. On latest figures, Victoria exceeded its overall target for solid waste recovered. Continued improvements in the commercial and industrial, and construction and demolition sectors helped achieve this. Meeting the target of 1.5 million tonnes reduction in total waste, compared with 'business as usual', remains a significant challenge in light of Victoria's projected population growth.

2014 Targets	Projected Result*	Actual Result
1.5 million tonnes reduction in solid waste generated (reported as total solid waste generated)	9.88 million tonnes generated	10.29 million tonnes generated
75% by weight of solid waste recovered for reuse, recycling and/or energy generation	58%	61%
Recovery rates achieved by sector:		
+ Municipal waste (65%)	42%	40%
+ Commercial & industrial waste (80%)	64%	69%
+ Construction & demolition waste (80%)	64%	67%
A 25% improvement in littering behaviour from 2003 levels	10%	7.7%**

* Figures generated through modelling and reported in previous years have been rebased with updated information resulting in a recalculation of projected figures.

** Actual result is from the 2007 Victorian Litter Report; the next report results are due in late 2009.

Exhibit 6: Towards Zero Waste 2007–08³

3 Due to data lag, the 2008–09 figures will not be available in the 2009 calendar year.

Engaging Victorians in new behaviours and ideas

A key part of our work is providing Victorians with information and training to help them adopt more sustainable behaviours. In 2008–09, our programs reached approximately 930,000 Victorians and provided training to support the growth of Green Skills throughout Victoria.

Household and Communities (Total)	Target	Actual
Victorians reached through our programs and services, including the categories shown below	1,500,000	929,287
Education and Training		
- electricians trained	500	500
- plumbers trained	1,400	1,306
- sustainability assessors trained	300	120
- building professionals trained	250	0*
- teachers trained	150	120
- schools certified	120	69
- solar PV systems installed	150	264
ResourceSmart Buildings		
- tenants participating in Green CBD	60	17

Exhibit 7: Communicating the sustainability message

* The Building Energy Analysis course has been developed with common units with the Vocational Graduate Certificate in Energy Efficient Facility Management and is only now ready for roll out due to delays in the development of the Facility Managers' course.

Our Performance 2008–09

Households and Communities

Program	Purpose	2008–09 Performance
High-consuming households program	Provide information and support to high-consuming households to help them adopt more sustainable behaviours, leading to a reduction in greenhouse gas emissions.	<p>Commenced the GreenHouse Games Workplace Challenge, targeting high-consuming households in partnership with 11 large employers (National Australia Bank, Telstra, Australia Post, Department of Innovation, & Industry and Regional Development, Lend Lease, Ericsson, Medibank Private, Fosters, RMIT University, SP Ausnet and Fujitsu). 429 households completed the 8-week Challenge.</p> <p>Commenced the GreenHouse Games Schools Challenge in partnership with 32 primary and secondary schools to reach households to effect behaviour change. 906 households have commenced the Challenge.</p> <p>Commenced the GreenHouse Project with six local government authorities (Bayside, Boroondara, Casey, Knox, Greater Geelong and the Shire of Yarra Ranges) and home sustainability assessors, to trial a range of methods to provide information, home assessments and retrofits to help reduce the environmental impact of high-consuming households. The program is targeting 6000 households.</p>
Right Advice at the Right Place	<p>Establish partnerships with Victorian retailers to promote the sale of energy and water-efficient appliances and lighting.</p> <p>The program aims to raise consumer awareness of the available energy and water-efficient products and increase their intention to purchase these products.</p> <p>The program also seeks to complement the Black Balloons energy-saving campaign.</p>	<p>Over 300 stores are now participating across Victoria. Over 90% of participating retailers report high levels of satisfaction with the program, and believe the program adds value to their business. Almost 60% of retailers have noticed an increase in their sales of energy-efficient products since the program started in 2007. Consumer surveys also show the energy and water efficiency of appliances is playing a greater role in their purchase decisions compared to 2006.</p>

Households and Communities continued

Program	Purpose	2008–09 Performance
Household incentives	Provide targeted financial incentives for a range of high-impact sustainable solutions such as solar hot water and insulation. This will lead to an increase in uptake of these solutions, reducing greenhouse gas emissions.	Provided 19,360 rebates to help Victorian households save money and energy. This included 13,688 regional solar hot water rebates. These rebates will cut greenhouse gas emissions by 38,390 tonnes per annum.
Support low-income households	Support low-income households to adapt to climate change through a program of retrofitting homes.	Through the Energy and Water Task Force project, 751 low-income and disadvantaged households received a free retrofit. The estimated annual saving in greenhouse gas emissions is 490 tonnes.
Community capacity building	Provide information and support to communities to help them respond to climate change and adopt innovative and sustainable solutions.	Held two Connecting Communities workshops for community organisations.
Consumer awareness information	Provide information to householders about sustainable solutions through appropriate communication channels. This will lead to an increase in the number of sustainable purchasing decisions being made by householders.	Contacted by 25,242 households seeking advice about sustainability. We attended 24 community events providing displays and, in many cases, speakers.
Detox Your Home	Provide safe disposal options for unwanted household chemicals and related products.	Through the mobile service and permanent site network the community disposed of 830 tonnes of household chemicals. Opened four new permanent Detox Your Home drop-off facilities in Ballarat, Melton, Morwell and Shepparton, increasing the network to 11 locations across Victoria.
ResourceSmart Venues and Events	Develop partnerships with venue owners and non-government organisations to help householders duplicate the sustainable behaviours they carry out at home at the venues they attend.	Certified 189 Waste Wise events in 2008–09. An average of 41% of waste, or about 326 tonnes, was diverted from landfill. Initiated two regional Public Place Recycling (PPR) trials with regional racing clubs and a speedway. Both achieved recycling rates up to 35% within 12 months. Successfully launched The Summer of Sustainability DVD on current festival sustainability practices at the inaugural National Sustainable Events Conference in Melbourne, February 2009.

Households and Communities continued

Program	Purpose	2008–09 Performance
Roadside Litter Prevention and Resource Recovery Kit	The project will research and develop the kit, develop a program planning and evaluation workshop package and deliver two workshops in Victoria to trial the kit on two major highways and associated roads across the State.	With National Packaging Covenant, Australian Food and Grocery Council Packaging Stewardship Forum and Sustainability Victoria funding, the Victorian Litter Action Alliance Litter Champion program developed and piloted a roadside litter prevention and resource recovery program on two coastal highways.

Education and training

Program	Purpose	2008–09 Performance
Trades and professional training	Provide accredited training programs in energy efficiency and sustainability to tradespersons and professionals to increase the capacity of the community to adopt sustainable solutions.	The Home Sustainability Assessors course is licensed to 30 Registered Training Organisations and ran a Train the Trainer program for 20 trainers. Sustainability Victoria trained 1,300 plumbers in solar hot water installation to support the regional Victorian rebates program.
ResourceSmart Schools	<p>Raise awareness of sustainable practices in the community by:</p> <ul style="list-style-type: none"> + promoting energy efficiency and renewable energy options through schools + helping schools to reduce their waste generation and increase recycling. 	<p>Paid or pre-approved for payment 264 new Solar in Schools rebates worth a total of \$2.51 million. This equates to a total 527 kW of renewable energy being installed.</p> <p>A total of 90 completed the ResourceSmart AuSSI Vic Waste and Core modules. Eighty schools entered the ResourceSmart Awards, and 72 schools participated in the Rubbish Free Lunch Challenge.</p>

ResourceSmart Business

Program	Purpose	2008–09 Performance
Carbon Down	Make it easy and popular for businesses to share knowledge and learn from other businesses. Reduce carbon emissions from an established baseline and change the way business and community think, and what they do to reduce carbon emissions.	<p>Completed and released leading research into the knowledge, attitudes and behaviours of Victorian Small and Medium Enterprises (SMEs) in relation to climate change and carbon management.</p> <p>Created four delivery partnerships to extend the delivery and reach of Carbon Down across Victorian SMEs.</p> <p>Developed and delivered new training on carbon management to over 300 small businesses.</p> <p>Commenced Victoria's Business Carbon Footprint Survey to gain insight into the contribution that SMEs make to the State's carbon footprint and to create benchmark data across industry segments.</p> <p>Built a new online directory, the Compass, designed to streamline access to practical information and advice for small businesses to enable them to reduce their carbon footprint.</p>
Best practice in business energy efficiency	Produce and make available best practice energy efficiency guides for business and industry, and support implementation of best practice technology improvements.	<p>Completed a new energy efficiency best practice guide to Information Communication and Technology (ICT) for data storage facilities.</p> <p>With support from Sustainability Victoria, the Victorian Freight and Logistics Council developed a Good Practice Sourcebook.</p>
Clean technology investment	Develop partnerships with existing manufacturers in target sectors to demonstrate commercially viable projects that establish new levels of resource efficiency. The objective is clean technology that will deliver productivity improvements and carbon emission reductions.	Six projects were completed that resulted in greenhouse gas (GHG) savings of 29,942 tonnes of CO ₂ eq, 4,100 tonnes of avoided waste generation and direct savings of \$720,000.
Renewable energy support fund	Facilitate the increased uptake and installation of renewable energy supply technologies. These technologies add to the diversity and viability of Victoria's energy supply and reduce greenhouse gas emissions by demonstrating viable renewable energy business models for medium-scale energy supply technologies in the range 100 kW–5 MW.	Three major projects were delivered with \$625,000 from the Victorian Government's Renewable Energy Support Fund, resulting in the production of 38,370GJ of renewable energy and saving of 12,600 tonnes of carbon dioxide emissions.

ResourceSmart Business continued

Program	Purpose	2008–09 Performance
Small-scale renewables	<p>Support the increased deployment of small-scale renewable technologies throughout Victoria by:</p> <ul style="list-style-type: none"> + developing new markets through communicating leading thinking to potential markets + identifying new applications through accessing international leading thinking + developing performance standards + providing technical support to rebate programs to promote most appropriate technology. 	<p>Led the Australian Standards Committee CS0028 that finalised the 2008 revision of the Australian/New Zealand Standard AS/NZS 4234 <i>Heated water systems – Calculation of energy consumption</i>. This update improved the calculation method of solar water heater performance that provides the basis for the calculation of solar water heater savings used in the Commonwealth's Renewable Energy Certificates Scheme, the Victorian Energy Saver Incentive, the Victorian solar hot water rebate and the compliance list for solar water heaters for the Victorian 5 Star housing regulations.</p> <p>Maintained the database of solar hot water heater performance for the Victorian-based programs. Over the year, more than 1,300 systems were reviewed.</p> <p>Partnered with the Alternative Technology Association to investigate the use of small wind turbines on or near buildings. Ten locations across Melbourne were chosen as sites to measure and analyse the speed, direction and turbulence of the wind.</p>
5 Star ResourceSmart	<p>Create an online assessment rating tool.</p> <p>Carry out rating of a representative group of businesses.</p> <p>Build engagement with industry groups and other government jurisdictions.</p>	<p>The online tool development began, following extensive piloting with a representative group of businesses.</p>
ResourceSmart Industry and Regional Partnerships	<p>Established partnerships with:</p> <ul style="list-style-type: none"> + peak industry organisations + geographically focused groups + industry bodies. 	<p>Work continued with established partners, including the Carpet Institute of Australia and Geelong Manufacturing Council.</p> <p>Partnered with 12 new organisations.</p>

ResourceSmart Buildings

Program	Purpose	2008–09 Performance
ResourceSmart Commercial Buildings	<p>Assist with the business case to upgrade building infrastructure, build capacity, and drive energy and water management and energy performance contracts.</p> <p>This project will include support for the National Australian Built Environment Rating System (NABERS office), plus rebates open to all commercial building owners.</p>	<p>Initiated partnerships with Colonial First State to assist in the refurbishment of 385 Bourke St, Melbourne, and with NAB to undertake a study examining the productivity benefits arising from the green refurbishment and fitout of 500 Bourke St, Melbourne.</p> <p>Promoted the business case for green buildings through three Melbourne Forum events and co-hosted the World Green Building Conference (SB08).</p>
CitySwitch	<p>Work with office tenants of Melbourne's central business district in partnership with the City of Melbourne. Through this national program, we will improve the environmental performance and indoor environment quality of commercial office space.</p>	<p>Established the CitySwitch program with the City of Melbourne, and recruited 17 signatories. Sustainability Victoria held two workshops, and undertook a tenant engagement trial with five of the tenants, to help them improve their office energy use.</p>
ResourceSmart Housing	<p>Provide examples of innovative, affordable low-energy solutions for new build and renovated houses.</p> <p>Design and build a number of zero-carbon demonstration houses.</p> <p>Document and communicate the processes used.</p> <p>Support government initiatives to create the sustainable house of the future.</p> <p>Ensure this program integrates with Sustainability Victoria's householder behaviour-change programs, minimum energy performance standards for appliances and industry training.</p> <p>Continue to support the rollout of 5 Star in the housing sector.</p> <p>Continue to sell and support FirstRate5 in the marketplace.</p>	<p>Initiated a number of new projects with key stakeholders. Working with CSIRO and Swinburne University, Sustainability Victoria and its partners began to explore the issues and benefits of high-performance housing, giving industry, policy makers and consumers a clearer understanding of what is possible in the future.</p> <p>Also continued to deliver and improve on the FirstRate house energy rating tool scheme, including software development and training.</p>

ResourceSmart Buildings continued

Program	Purpose	2008–09 Performance
Smart energy zones	Demonstrate that by combining demand and supply side energy solutions and utilising local energy opportunities, a community can dramatically and cost-effectively reduce its greenhouse intensity.	Committed \$2.57 million to six infrastructure projects with Department of Human Services, VicUrban, CERES, Manningham City Council, Banyule City Council and Boroondara City Council. Construction began on Central Victorian Solar Cities, Ballarat and Bendigo solar parks.

ResourceSmart Materials

Program	Purpose	2008–09 Performance
Commercial and industrial resource recovery	Continue to foster commercial and industrial resource recovery to meet 2014 Towards Zero Waste target of 80% recovery for commercial and industrial waste.	Completed 13 projects, recovering 236,414 tonnes of waste.
Municipal resource recovery	Continue to foster municipal resource recovery to meet 2014 Towards Zero Waste target of 65% recovery.	Completed 16 projects across the State, diverting 12,661 tonnes of municipal waste.
Regional Towards Zero Waste support	Close the gap in resource recovery performance between Victoria's local government councils.	Launched a new regional program during the year to specifically increase recovery in regional Victoria. Approved 18 projects, which will commence in 2009–10.
Improved organics recovery	Provide funding for the development of quality-accredited recycled organic products. Encourage best practice councils to include food waste in the kerbside green waste service.	Market and industry development funding resulted in increased sales of accredited recycled organics products of 5–10%.
Product stewardship priorities	Establish voluntary product stewardship schemes in priority product sectors and other significant waste generating product sectors.	<p>Voluntary product stewardship schemes established in priority product sectors and other significant waste-generating sectors, such as household batteries, mercury-containing lamps and paint.</p> <p>Continued operation of Byteback at eight sites resulted in diversion of 871 tonnes of ICT equipment and over 4,700 tonnes of CO₂eq savings.</p> <p>Batteryback retail trial resulted in 944 kg of batteries collected from four retail locations.</p> <p>Mercury lamps retail-based collection trial, Flashback, demonstrated that users do not differentiate between lamps types with incandescent and HID lamps representing 75% of total number of units collected.</p>

ResourceSmart Materials continued

Program	Purpose	2008–09 Performance
Adopting lifecycle approaches for product and service development	<p>Support the integration of Design for Sustainability into product development practice.</p> <p>Strengthen the role of lifecycle thinking in stimulating innovation in product–service development and management and market availability of sustainable products and services.</p>	<p>Sponsored a space at the National DesignEx Form and Function Trade Exhibition which enabled 27 small and innovative businesses to showcase products and services to an audience of 25,000.</p> <p>Building on masterclass pilots, a TAFE course on Design for Sustainability targeting product development professionals is now under development.</p> <p>Sponsored the International Social and Environmental Accreditation and Labelling Alliance pilot roundtable on eco-labelling in Melbourne took place.</p> <p>In conjunction with PACIA, published the first eight of a 12-issue series, <i>Quickstart: Design for Sustainability with Plastics</i>.</p>

Governments

Program	Purpose	2008–09 Performance
Energy efficiency policy support	<p>Support the energy efficiency commitments of the Victorian and Federal Governments.</p> <p>Help governments identify where complementary measures are the most appropriate method of achieving energy efficiency improvements.</p> <p>Provide support to Victorian and Federal Governments in implementing complementary measures where appropriate.</p>	<p>Represented the Victorian Government on the Ministerial Council on Energy's Energy Efficiency Working Group and a number of the National Framework for Energy Efficiency implementation committees.</p> <p>Managed projects on gas ducted heaters, industrial equipment and commercial catering equipment for the national Equipment Energy Efficiency Committee.</p> <p>Supported the development and implementation of the Victorian Energy Efficiency Target initiative through the provision of specialist technical advice.</p>
Renewable energy policy support	<p>Support all three levels of government in increasing the sustainability of Victoria's energy supply and support the fulfilment of the Government's renewable energy commitments.</p>	<p>Worked with other Victorian Government departments and the wind energy industry to address barriers to the development of the wind energy industry. Gave advice to other Victorian Government departments in the areas of planning for wind energy, wave and tidal energy tenure allocations, distributed generation policy development and large-scale solar.</p> <p>Over 350,000 customers are signed up to GreenPower in Victoria, which is an increase of approximately 50,000 from the previous year. The estimated saving is 790,000 tonnes per annum of greenhouse gas emissions.</p>

Governments continued

Program	Purpose	2008–09 Performance
Waste policy support	Support the delivery of the Environmental Sustainability Framework and coordinate the implementation and delivery of the Towards Zero Waste targets and strategies.	Released the Metropolitan Waste and Resource Recovery Strategic Plan which was developed with our partners, the Department of Sustainability and Environment, the EPA and the Metropolitan Waste Management Group. Undertook targeted consultation on the draft Litter Strategy and prepared a final draft for broader consultation in 2009–10.
Built environment policy support	Support policy and strategy development. Apply leading thinking to advance the demonstration of a sustainable built environment.	Provided policy support on programs initiated or supported by COAG, including strengthening of energy efficiency regulations for commercial buildings, mandatory disclosure of energy performance for commercial buildings and of energy and water performance for residential buildings, and an increase in the energy efficiency requirements for new homes. Provided input into the delivery of the Commonwealth's Home Energy Efficiency package in Victoria. Established an Energy Efficiency Reference Group to identify opportunities for collaboration between Victorian Government energy efficiency programs for households, and provided technical and policy advice on built environment issues in the development of the State Government Climate Change Green Paper and Green Jobs Action Plan.
ResourceSmart Government	Support Victorian Government agencies to become leading examples of sustainability in the community. This program will provide information and support to assist Victorian Government agencies and local government authorities to reduce their own greenhouse gas emissions and improve resource use.	Provided 52 state government entities with access to practical, integrated information and tools to help reduce their environmental impacts from both corporate and service activities and pilot programs initiated in the healthcare and tertiary education sectors. Specific achievements included: <ul style="list-style-type: none"> + green teams operating or being formed at more than 24 agencies + fifty staff members trained in creating and implementing environmental strategies. Upgraded the Utility Tracker data management tool and demonstrated the new features to representatives of 30 local governments. Developed a Best Practice Tracker of energy performance, and initiated the Local Government Information Portal.

Governments continued

Program	Purpose	2008–09 Performance
ResourceSmart Water Industry	Help the water industry to develop sustainable practices around energy, greenhouse gases and resource recovery.	The Water Industry Greenhouse Working Group met four times during the year with representatives from 17 of the 20 water corporations. Workshops took place with the Australian Greenhouse Office and the Office of Climate Change.
Cross-selling with water sector	Extend the reach and increase the effectiveness of the Victorian Government's sustainability offerings by facilitating cross-selling of energy, waste and water programs.	<p>Distributed over 10,000 energy efficient light bulbs and 2,800 energy brochures to water corporation customers as part of the showerhead exchange program.</p> <p>South East Water added value to the Energy and Water Task Force in the Frankston area by augmenting Sustainability Victoria offerings with dual-flush toilets and plumbing services.</p> <p>Provided assistance to Wannon Water to develop their Living Water Project resulting in 150 of their customers purchasing solar hot water heaters and implementing water and energy efficiency measures.</p>
Marketing and brand development	Promote Sustainability Victoria as a trusted source of information and assistance on climate change. This will create an efficient platform to deliver government initiatives as customer-focused solutions.	Delivered online the ResourceSmart Website, including the VISSL interactive search engine tool for householders, in August 2008 and officially launched it in June 2009. From August 2008 to June 2009, the site received 155,803 unique browsers.

Part 6

Households and Communities



ResourceSmart Households and Communities support Victorians in adopting sustainable behaviours that lead to improved resource efficiency and reduced greenhouse gas emissions. To deliver this support, Sustainability Victoria worked with partners in local government and community organisations.

Program Summary

Green Light Report

In 2009, Sustainability Victoria commissioned the second *Green Light Report* in partnership with the Department of Sustainability and Environment and Environment Protection Authority Victoria.

The 2009 *Green Light Report* monitors trends in the environmental attitudes and behaviours of Victorians and

the sustainability profiles of their homes. As a community pulse check, the *Green Light Report* helps inform the policies and programs of the Victorian Government, ensuring we are responsive to changing community needs.

The 2009 report involved interviews with 2,150 Victorians and 3,096 targeted interviews in 15 local government areas spanning inner Melbourne, provincial centres and rural communities. These interviews provided local snapshots of environmental attitudes, behaviours and household features at the local level.

A key result of the 2009 *Green Light Report* was an increase in the number of Victorians very concerned about the state of the environment. Environmental issues continue to be Victorians' top priority for attention by the Government, and water and climate change remain the most important environmental concerns.



The 2009 *Green Light Report* suggests that since 2008, Victorians increasingly have taken action, including having short showers, growing their own fruit and vegetables and using reusable bags. Across Victoria, more homes now report that they have a rainwater tank and front-loading washing machine.

While reflecting sustainability at work in the Victorian community, the report also highlights challenges for smarter use of energy, water and materials, particularly as the number of household appliances increases, including plasma and other televisions, multiple fridges and freezers, computers and game consoles.

Household incentives

Household incentives are designed to encourage households to make sustainable choices by cutting financial barriers. Over the year, a record 19,360 rebates were provided to Victorian households, helping to reduce greenhouse gas emissions by an estimated 38,000 tonnes per annum.

The uptake of the regional solar hot water rebate was unprecedented, with 13,688 rebates provided to help households in regional Victoria to switch to solar hot water. In addition, 1,463 solar hot water rebates were provided to households in metropolitan Melbourne. Also provided were 1,381 rebates to install ceiling insulation into Victoria homes during the year.

The Victorian Government Appliance Incentive ran over three weeks from 5 June to 28 June 2009. The incentive provided a \$100 rebate for the purchase of energy and water-efficient washing machines and dishwashers. Approximately 10,000 Victorians took advantage of this rebate to purchase efficient appliances.

In addition to the Victorian rebates, Sustainability Victoria administered the Australian Government's Renewable Remote Power Generation Program for the replacement of diesel generators with renewable energy systems. Sustainability Victoria provided 278 rebates under the program, worth \$4.62 million to businesses and households.

GreenHouse Program

To evaluate the effectiveness of different behaviour change approaches, three pilot projects began under the GreenHouse Program. The program aims to engage up to 10,000 households to reduce their energy consumption by at least 5%. The program also aims to abate 1 tonne of greenhouse gas per household per year.

Three pilot projects began and will be completed in 2009–10:

GreenHouse Games Workplace Challenge

The project engaged with households through their employers and provided eight-week, online sustainability challenges for employees. Participating organisations include National Australia Bank; Telstra; Australia Post; Department of Innovation, Industry and Regional Development; Lend Lease; Ericsson; Medibank Private; Fosters; RMIT University; SP Ausnet; and Fujitsu.

GreenHouse Games Schools Challenge

Thirty-two primary and secondary schools are participating in the Schools Challenge. The challenge features an interactive website and offers incentives to encourage behaviour change for sustainability in participating households.

GreenHouse Project

Working with six local governments (Cities of Bayside, Boroondara, Casey, Knox, Greater Geelong and the Shire of Yarra Ranges) and home sustainability assessors, the GreenHouse Project is trialling various methods to provide home sustainability information, assessment and retrofits to reduce household environmental impact.

Energy and Water Task Force

On average, low-income households spend a higher proportion of their income on energy compared to other households. Less able to invest in energy-efficient appliances and home improvements, they may struggle to reduce their energy bills while maintaining household comfort.

The Energy and Water Task Force provides low-income householders with a free home assessment and simple and cost-effective home improvements. Working in partnership with community based organisations, the assessment and retrofit works are undertaken by work teams who receive green skill training.

In 2008–09, Sustainability Victoria assessed and retrofitted 751 low-income homes in the Frankston, Rosebud, Werribee, Preston, Doveton and Latrobe Valley areas. We also assisted drought-affected farmers in the Bendigo and Shepparton rural areas.

As a result of the improved energy and water efficiency of the 751 retrofitted houses, annual greenhouse gas emissions will be reduced by 490 tonnes with a combined estimated \$88,600 annual savings on energy bills. This equates to an average annual saving of more than \$100 for each retrofitted house.

Right Advice at the Right Place

Right Advice at the Right Place provides Victorian consumers with energy-saving advice at the point of sale to encourage the purchase of resource efficient products.

The program has partnered with most of Victoria's major appliance, lighting and hardware retailers. Through the program, retail staff continued to receive in-store training to help them advise their customers about energy and water-saving products. The program provided a range of point-of-sale materials to each store for display and distribution to customers.

Appliance sales data confirms Victoria is performing well regarding the share of energy and water-efficient appliances sold. For example, comparing the 12 months to May 2009 with the 12 months to May 2008, the sale of energy-efficient washing machines in Victoria increased by 8.1%, compared to 2.9% nationally (excluding Victoria). For the same period, the sale of energy-efficient fridges increased slightly, by 5.3% compared to 4.5% nationally (excluding Victoria). This is supported by surveys of retailers, with almost 60% noticing an increase in sales of energy-efficient products since joining the Right Advice at the Right Place program.

Detox Your Home

Detox Your Home provides Victorians with free, safe disposal for unwanted household chemicals to protect our waterways and environment. In 2008–09, the community disposed of nearly 830 tonnes using the program.

Thirty-five mobile Detox Your Home collections were held at metropolitan and regional councils across the State. Over 8,800 householders used the service, disposing of 338 tonnes of chemicals, with paint making up 54% of material collected.

Four new permanent Detox Your Home drop-off facilities opened in Ballarat, Morwell, Shepparton and Melton, increasing the network to 11 locations across Victoria. Through the network, 491 tonnes of paint, gas cylinders, household batteries and fluorescent tubes were collected. Most chemicals collected through the Detox Your Home program are recycled or used as alternative fuel sources, while the remaining chemicals are treated and disposed of safely.

ResourceSmart Events and Venues

Sustainability Victoria's Events and Venues program aimed to increase the uptake of sustainable event practices in Victoria by promoting leading event practice, targeting multi-event venues and working with event industry influencers.

We achieved this by continuing the Waste Wise Events behaviour change program for one more year. One hundred and fifty-eight events were Waste Wise certified in 2008–09. An average of 40% of waste was diverted from landfill, or about 320 tonnes. Waste Wise events ranged in size from 55 patrons at school fetes to around 400,000 attending Melbourne's Moomba Festival.

Sustainability Victoria adapted the Waste Wise Events model to address more effectively the needs of regional Victoria, based on several program research initiatives. We successfully established two permanent, multi-event venue recycling projects by working with regional racing clubs and a speedway. The projects, delivered by our Regional Waste Management Group partners, achieved recycling rates of up to 35% within 12 months.

The Summer of Sustainability Music Festivals Project was extended to capture further video footage of innovative festival sustainability initiatives, such as solar-powered toilet blocks and disc jockey rigs. Sustainability Victoria continued to provide facilitated forums for increasing collaboration among some of Victoria's key event industry influencers. Forum participants represented major corporations, peak associations, sustainable event start-up companies and government and non-government organisations.

Roadside Litter Prevention and Resource Recovery Kit

Roadside litter, particularly highly visible items such as beverage containers and fast-food packaging, has long been a community concern.

With funding from National Packaging Covenant, Australian Food and Grocery Council Packaging Stewardship Forum and Sustainability Victoria, the Victorian Litter Action Alliance Litter Champion developed a pilot roadside litter prevention and resource recovery program.

The pilot was trialled in April 2009, to coincide with the Easter and school holiday period on two popular tourist gateways: Bass Coast Highway between Anderson and Inverloch; and the Princes Highway between Waurin Ponds and Winchelsea.



Key partners

- Australia Post
- Australian Food and Grocery Council
 - Packaging Stewardship Forum
- Beacon Lighting
- Brotherhood of St Laurence
- Bunnings
- City of Bayside
- City of Boroondara
- City of Casey
- City of Greater Geelong
- City of Knox
- Clive Peters
- Chemsal
- DIIRD
- DSE
- EPA
- Ericsson
- Fosters
- Fujitsu
- Harvey Norman
- Lend Lease
- Medibank Private
- Mission Australia
- Mitre 10
- Myer
- National Australia Bank
- National Packaging Covenant
- Regional Waste Management Groups
- Retrovision
- Shire of Yarra Ranges
- SP Ausnet
- Sustainable Living Foundation
- Telstra
- Try Youth and Community Services
- Victorian Litter Action Alliance

Part 7

Education and Training



Education and training targets schools, trades and professions. An increase in skilled practitioners improves Victorians' capacity to make sustainable choices that lead to improved resource efficiency and reduced greenhouse gas emissions. At the school level, developing a holistic approach to sustainable learning and operations will assist the next generation to make sustainable choices now and for the future. This approach is supported by programs to build capacity and change behaviours, resulting in more sustainable environments in which Victorians can live and work.

Sustainability Victoria has developed targeted training programs in energy efficiency and sustainability to help the community adopt sustainable solutions. Some of these courses target emerging areas such as home sustainability assessing and retrofitting, while others aim to increase the number of professional and trade

qualifications that include a sustainability component such as green plumbers' training.

Sustainability Victoria is also joining key partners to deliver the ResourceSmart AuSSI Vic program to schools. AuSSI, the Australian Sustainable School Initiative, is a partnership between states, territories and the Australian Government. The program embeds a holistic approach to sustainability education across the school.

Program Summary

ResourceSmart Schools

Sustainability Victoria with key partners expanded the number of primary and secondary schools participating in the ResourceSmart AuSSI Vic program.



Ninety new primary and secondary schools joined the existing 510 ResourceSmart AuSSI Vic schools. These schools are undertaking a whole-school approach to sustainability in the curriculum, school operations, infrastructure, and community partnerships. Schools' achievements will be recognised through the ResourceSmart AuSSI Vic 5 Star certification.

Sustainability Victoria also chairs the Sustainability in Schools State Steering Committee, a whole-of-government approach to coordinating education for sustainability across the formal education sector. The committee developed a strategic action plan that has been endorsed by the Minister for Environment and Climate Change and the Minister for Education. The plan sets out the goals and actions for the development of an inclusive broad-based learning community that adds value to education for sustainability in Victorian schools.

The Victorian Solar in Schools program continues to encourage schools and community buildings to install photovoltaic systems and educate the school and community about renewable energy.

Trades and professional training

Sustainability Victoria's Home Sustainability Assessment course currently has 30 registered training organisations in four states delivering or about to deliver this course. Sustainability Victoria also delivered a Train the Trainer course to 20 trainers. This course is now being aligned with the Commonwealth Greenloans course, which will further increase demand.

Sustainability Victoria also delivered a Solar Hot Water training program for plumbers in regional Victoria to support the Victorian Regional Solar Hot Water rebate program. This program, in partnership with Green Plumbers and the Plumbing Industry Commission, trained 1,306 plumbers in 12 months. Three new short courses were also developed in partnership with Holmesglen TAFE, which built on the theme of sustainability in and around the home.

Sustainability Victoria, on behalf of the National Framework for Energy Efficiency (NFEF) Trades and Professions Training and Accreditation Committee, developed courses targeting trades and professions with the greatest impact on energy efficiency. In partnership with industry associations, the following two new courses are about to commence:

- + Vocational Graduate Certificate in Energy Efficiency for Facility Managers
- + Vocational Graduate Certificate in Building Energy Analysis (non-residential).

Training is currently being delivered for electricians and heating, ventilation and air-conditioning (HVAC) specialists through a Vocational Graduate Certificate in Energy Efficient HVAC Design, a Short Course in Energy Efficient HVAC Systems and a Course in Electrical Energy Efficiency (EcoSmart Electricians).

Key partners

- Air Conditioning and Mechanical Contractors' Association
- Australian Institution of Refrigeration, Air Conditioning and Heating
- Centre for Education and Research
- Department of Education and Early Childhood Development.
- Department of Education and Training (NSW)
- Department of Energy Resources and Tourism (NSW)
- Department of Environment and Climate Change (NSW)
- Department of Environment, Water Heritage and the Arts (Commonwealth)
- Department of Innovation, Industry and Regional Development
- Department of Sustainability and Environment
- Energy Skills Queensland
- Facility Managers Association
- Holmesglen TAFE
- Monash Institute of Sustainability
- National Electrical and Communications Association
- Regional Waste Management Groups
- Skills Victoria
- Swinburne National Centre for Sustainability
- Victorian Association of Environmental Education
- Victoria University of Technology

Part 8

ResourceSmart Business



ResourceSmart Business works with commercial and industrial stakeholders to recover resources and reduce greenhouse gas emissions by demonstrating and deploying sustainable technologies, infrastructure and systems.

Sustainability Victoria achieves this by combining resources and programs and taking a more integrated approach. This was supported with programs that will build capacity in others and change behaviours, resulting in more sustainable products, services and environments for Victorians to work and live in.

In 2008–09, ResourceSmart Business helped manufacturing companies demonstrate leadership by investing in new and innovative clean technology solutions for their processes and products. We also supported and funded businesses to install renewable energy technologies.

Through Carbon Down, a partnership with the Victorian Employer's Chamber of Commerce and Industry (VECCI), we conducted research into the knowledge, attitudes and behaviours of Victorian small and medium-sized businesses (SMEs) in relation to climate change and carbon management.

In consultation with the Australian Industry Group and its members, we developed a 5 Star sustainability framework to help businesses self-assess their sustainability performance and identify improvement actions. We also partnered with 12 other industry bodies to further the sustainability agenda.

Program Summary

Carbon Down

Carbon Down establishes strong relationships with business and government, to build knowledge, conduct research and focus on innovation. In its first 12 months, the Carbon Down program allowed VECCI and Sustainability Victoria to break new ground in designing and delivering a mass reach program for small and medium enterprises (SMEs) to prepare for a low-carbon future.

To date, over 300 small businesses have participated in a carbon management training program. Carbon Down has also built a new online directory for accessible practical information and advice for small businesses on ways to reduce their carbon footprint.

Plastics and Chemicals Industry Association

Sustainability Victoria and PACIA developed a strategic partnership for launch in 2009–10. The aim of the partnership is to enhance linkages between Sustainability Victoria programs and PACIA's Sustainability Leadership Framework, while taking a longer-term view to prepare for business, environmental and technological scenarios in a carbon-constrained future.

Best practice in business energy efficiency

The focus this year was on increasing information available to business. A new energy efficiency best practice guide for Information Communication and Technology data storage facilities was completed. This document complements the existing six guides in the series (Data Centre and IT Facilities; Compressed Air Systems; Industrial Refrigeration; Lighting; Pumping Systems; and Steam, Hot Water & Process Heating Systems), and provides a step-by-step guide to improving equipment, energy efficiency and achieving best practice for business upgrading or investing in new ICT data storage facilities.

With support from Sustainability Victoria, the Victorian Freight and Logistics Council developed the *Good Practice Sourcebook*. The sourcebook highlights the achievements of logistics industry leaders in Victoria and shows how large and small businesses have reduced greenhouse gas emissions as well as costs through improved logistics.

Clean Technology Investment

The Clean Technology Investment program supports Victorian businesses in the development of commercially viable projects that establish new levels of resource efficiency. Successful projects this year have shown benefits in resource use and efficiency, and substantial carbon emissions reductions.

This year, six new projects were completed with our partners: Amcor Flexibles, Geocycle, Gippsland Water, Midfield Meats, and OneSteel.

For example, the project with OneSteel aimed at reducing electricity consumption at the Brooklyn steel recycling factory and involved the installation of new technology from Europe. Sustainability Victoria funding supported expert design and engineering for the technology. While monitoring of the project will occur in 2009–10, an improvement in site productivity of up to 9%, with substantially reduced electricity consumption and carbon emissions, is expected.

Renewable Energy Support Fund

The Renewable Energy Support Fund (RESF) supports medium-scale renewable energy infrastructure including wind, solar, biomass, geothermal and ocean power.

RESF delivered three major projects with \$625,000 in 2008–09, resulting in 38,370 gigajoules of renewable energy being produced and 12,600 tonnes of carbon dioxide emissions saved this financial year.

The projects were:

- + a generator project developed by Diamond Energy Pty Ltd that produces 1.1 MW of electricity using biogas from the Shepparton Waste Water Treatment plant
- + Murray Goulburn Cooperative Ltd's installation of two biogas engines with a total capacity of 770kW at its milk-processing factory in Leongatha
- + Barwon Regional Water's 184 kW mini-hydro generator at its Montpellier Basin water storage that creates electricity from energy normally wasted in pressure relief valves.



Small-scale renewables

The small-scale renewable energy program focused on supporting a robust solar hot water industry, examining the potential for small wind turbines in urban settings and exploring the options for solar cooling applications in rural Victoria.

The projects included:

- + \$50,000 from Sustainability Victoria to support Powercor commissioning six solar systems that are being tested to supplement the electricity grid in remote rural areas
- + Sustainability Victoria partnering with the Alternative Technology Association to investigate the use of small wind turbines on or near buildings. Ten locations across Melbourne were chosen as sites to measure and analyse the speed, direction and turbulence of the wind. The final report is available on the Sustainability Victoria website.

Sustainability Victoria also has a key role in accrediting the performance of solar hot water systems eligible for state government rebates and the Victorian Energy Saver Incentive. Over the year we reviewed more than 1,300 systems.

5 Star ResourceSmart

An evolution of the successful Waste Wise program, the 5 Star ResourceSmart framework is the basis of a voluntary self-assessment tool designed to identify business leadership and action on sustainability.

During 2008–09, Sustainability Victoria developed and tested extensively an online tool that will enable businesses to rate themselves in the areas of management practices; carbon, energy and fuel intensity; waste intensity; waste generation; materials efficiency and lifecycle thinking; and innovation. It is scheduled for release in 2009–10.

ResourceSmart Industry and Regional Partnerships

This program helps industry and regional business groups to build their capacity to deliver behaviour change programs for their members. Projects this year focused on the manufacturing sector and were designed to assist resource-intensive businesses to achieve improved resource efficiency and reduced carbon emissions.

An example is our partnership with the Carpet Institute of Australia. This project focused on assessing the lifecycle of carpet manufacturing. A key outcome was the development of an agreed industry action plan on sustainability. This is a significant step for the industry, and the action plan involves various solutions, including commitments to ongoing collection of manufacturing data, work to decrease installation wastes, increased recycling, and reuse of end-of-life wastes.

Key partners

- Alternative Technology Association
- Amcor Flexibles
- Australian Industry Group
- Barwon Regional Water
- Boral
- Carpet Institute of Australia
- Diamond Energy
- Geelong Manufacturing Council
- Geobrick
- Geocycle
- Gippsland Water
- Insights to Excellence
- Midfield Meats
- Mornington Peninsula Shire
- Murray Goulburn Cooperative
- OneSteel
- Plastics and Chemicals Industry Association
- Powercor
- SP AusNet
- Victorian Chamber of Commerce and Industry
- Victorian Freight and Logistics Council
- Vinyls Council of Australia
- Viridian
- Western Water Corporation



Part 9

ResourceSmart Buildings



ResourceSmart Buildings focuses on demonstrating sustainable development on a practical level. It strategically influences and brings together a range of business and government stakeholders to develop innovative and sustainable practices in the built environment. We work with businesses to upgrade building infrastructure, improve environmental performance and the quality of indoor business spaces, and demonstrate sustainable and affordable solutions. The program partners with key stakeholders to bring energy sustainability to building design and communicates and models best practices in the design, development and delivery of built environment projects.

During the year, Sustainability Victoria consolidated our built environment work and moved into implementing work in sustainable precincts.

Over 2,000 delegates from over 60 countries attended the 6th World Sustainable Building Conference, hosted by Sustainability Victoria in partnership with CSIRO. The excess funds generated from the conference were donated to the Lord Mayor's Charitable Fund to establish a scholarship fund for green building students and academics from disadvantaged backgrounds to attend key international conferences otherwise beyond their reach.

A highlight in our housing and precinct programs was our work with the City of Greater Geelong and other stakeholders to explore the business case for a sustainable development at Armstrong Creek.

With Sustainability Victoria's strong strategic focus on precinct-level solutions, Smart Energy Zones and the newly launched Zero Emissions Neighbourhoods program began to deliver solutions that will shape the

future of urban development in Victoria. The Smart Energy Zones program developed six new partnerships for the year and committed \$0.5 million toward the Moreland Solar City project to support the capital funding for the development of cogeneration and other embedded energy supply options.

Program Summary

ResourceSmart Commercial Buildings

In December 2008, Sustainability Victoria signed a partnership with Colonial First State to assist it in the green refurbishment of its building at 385 Bourke Street, Melbourne. Our support included technical advice into the feasibility of roof-mounted wind turbines.

Sustainability Victoria also partnered with National Australia Bank to investigate the staff productivity benefits of its green refurbishment of the building at 500 Bourke Street, Melbourne. Sustainability Victoria also continued work on a similar study with Insurance Australia Group for its offices at 181 William Street, Melbourne.

Sustainability Victoria again delivered the Melbourne Forum event program, in partnership with the Building Commission, Green Building Council of Australia, City of Melbourne and Australian Institute of Refrigeration Air Conditioning and Heating (AIRAH). Three events were held, with expert speakers presenting on improving existing building stock, sustainable water management and green roofs.

CitySwitch

In June 2008, Sustainability Victoria launched the Victorian CitySwitch program in the City of Melbourne, and this year recruited 17 tenants, representing over 57,000 m² of commercial office space. The tenants committed to improve the energy efficiency of their office tenancies to four stars under the National Australian Built Environment Rating Scheme.

A tenant engagement trial was also run to coach five participating tenancies on improving their energy efficiency. Preliminary results indicate that two companies achieved 15–25% energy reductions in their tenancies and lessons from the trial are being used to improve the program.

ResourceSmart Housing

In May 2009, changes were made to the Building Code of Australia resulting in Sustainability Victoria retiring FirstRate4 software from the market, replacing it with FirstRate5. The software is used to meet 5 Star housing regulations for new homes. Sustainability Victoria, working with eight training organisations, has trained and accredited over 600 assessors to upgrade to FirstRate5.

Sustainability Victoria supported the Master Builders Association of Victoria in holding its annual Green Living Workshop in November 2008. Presentation topics included cost-effective solutions for reaching 6 Stars for new homes, details on current regulations and low-toxic paint. To date, the Green Living Program has trained 8% of MBAV members.

Sustainability Victoria also worked with the Housing Industry Association (HIA) to develop and disseminate GreenSmart newsletters on a regular basis, to inform its members on a range of different green products and housing solutions.

Sustainability Victoria worked with the CSIRO to launch its Australian Zero Energy House, being built at the Greenfield Delphin Lorimar Estate, 30 kms north of the CBD. The Australian Zero Energy House is an 8.2 Star house design with solar panels to offset the small amount of energy the house would use. Sensors and metering equipment will monitor the house while occupied, with data informing industry and government on the role of occupant behaviour in a high-performance house.

Armstrong Creek: A compelling business case for sustainable development in Victoria

Located south of the City of Geelong, Armstrong Creek is one of the principal urban growth areas for the Geelong region.

In 2008–09, Sustainability Victoria sponsored the development of a business case to assess opportunities to achieve better environmental outcomes for Armstrong Creek while not compromising the economic and social objectives of the City of Greater Geelong.

Sustainability Victoria, assisted by a reference group, commissioned a number of studies to explore the business benefits of alternative, more sustainable development options. The Department of Planning and Community Development (DPCD), Department of Sustainability and Environment (DSE), City of Greater Geelong, Barwon Water and the Building Commission participated in the reference group. The analysis showed that infrastructure planning at Armstrong Creek, incorporating triple bottom-line objectives, could yield significant benefits when compared with a 'business as usual' approach. It found that, using the alternative scenarios, there was a potential \$406.9 million of additional benefits generated over 20 years, with a capital investment cost saving of \$53.5 million.

The development of the business case was undertaken in three integrated parts:

- + the preparation of a report into sustainable energy options for the development: *Sustainable Alternative Energy Supply and Demand Options Analysis* (Sustainability Victoria, February 2009)



- + the analysis of options for water infrastructure: *Armstrong Creek Urban Growth Plan: Water Infrastructure Review* (GHD, May 2009)
- + *The development of the business case: Sustainability Envelope for Armstrong Creek, Victoria: Business Case Development and Planning Issues* (Noakes & Collins, February 2009).

The Armstrong Creek business case demonstrates the financial and economic case for sustainable development. Creating a sustainable development at Armstrong Creek could deliver \$410 million in savings to residents, developers and the community over 20 years, together with \$54 million in capital investment savings, compared to a conventional development approach.

The business case pioneers a whole-of-development analysis that shows that by combining a range of sustainability options, together with a strategic development rollout, Victorians at all levels can benefit financially, economically, socially and environmentally.

Smart Energy zones

Following a competitive process, Sustainability Victoria committed \$2.57 million to partnerships for six new Smart Energy Zone projects in June 2009.

The successful projects demonstrate innovative combinations of demand and supply side energy solutions, showcasing cogeneration, trigeneration, a biogas digester, an electric vehicle, wind turbines, solar photovoltaics, solar hot water, micro-grid technology, double-glazing, insulation, natural light and ventilation, and smart metering.

The partnerships are:

- + Banyule City Council: The Greensborough Smart Energy Precinct – Demonstrating Sustainability in the Suburbs. A gas-fired cogeneration plant will supply electricity and heat to the new shopping centre and the excess heat will be piped to heat the pools in the Greensborough Regional Aquatic and Leisure Centre.
- + Manningham City Council: Doncaster Hill Smart Energy Zone and Sustainability Education Hub. In the new green civic precinct, a gas-fired trigeneration plant will supply the community centre, council offices and sustainability education hub with electricity, heating and cooling.
- + VicUrban: Revitalising Central Dandenong – Central Services Hub Enabling Infrastructure. The central services hub will provide centralised electricity, heating, cooling, and recycled water services to the 7ha development precinct in Central Dandenong as part of a major urban revitalisation
- + Boroondara City Council: Ashburton Community Precinct Cogeneration Project. A gas-fired cogeneration plant will be installed to supply heat and electricity to the Ashburton pool and recreation centre and electricity to the Craig Family Centre.
- + CERES: Beacons for a Climate-Friendly Era. CERES environmental park in Brunswick will work with a local shopping centre to take their organic waste to feed a biogas digester. The electricity generated will be supplemented by onsite solar and wind power generation.
- + Department of Human Services, Office of Housing: Carlton Housing Redevelopment – Alternative Energy. The electricity for the new public and social housing buildings will be supplied from gas fired cogeneration plants, supplemented with onsite solar and wind power.

On 17 June 2009, Minister Jennings launched the \$6 million Zero Emission Neighbourhoods (ZEN) program, designed to shape the future of sustainable residential development in Victoria. ZEN builds on the energy solutions of Smart Energy Zones by showcasing innovative water, waste, transport and energy solutions, such as local renewable energy supply, sustainable master planning and design and onsite recycled water.

Key partners

- Australian Institute of Refrigeration Air Conditioning and Heating
- Barwon Water
- Banyule City Council
- Boroondara City Council
- Building Commission
- Centre for Education and Research in Environment
- City of Greater Geelong
- City of Melbourne
- Colonial First State
- CSIRO
- Department of Human Services
- Department of Planning and Community Development
- Department of Sustainability and Environment
- Housing Industry Association
- Industry Superannuation Property Trust
- Manningham City Council
- Master Builders Association Victoria
- National Australia Bank
- Property Council of Australia
- VicUrban

Part 10

ResourceSmart Materials



ResourceSmart Materials works with businesses to support additional recovery of waste from landfill. It also provides support for local government infrastructure development and kerbside green and organics waste collection; encourages product sectors to integrate sustainable products lifecycle practices; and encourages business, local government and the community to share responsibility in managing resource recovery and end-of-life disposal. This approach is supported by programs to build capacity in others and change behaviours, resulting in more sustainable products, services and environments for Victorians.

Program achievements included providing funding to increase resource recovery, the development of a new funding program targeting regional Victoria, and working with industry to encourage shared responsibility for product stewardship and lifecycle thinking.

Together, these programs aim to help industry and local government achieve the Towards Zero Waste targets by 2014. The targets include reducing overall waste generation by 1.5 million tonnes, achieving a 75% resource recovery rate and reducing littering behaviour by 25%.

Program Summary

Commercial and industrial resource recovery

Activities included funding 25 commercial and industrial, and construction and demolition projects to establish and upgrade infrastructure. We invested \$1.5 million in 13 of these projects that were successfully completed, recovering 236,414 tonnes against an overall target of 474,000 tonnes.



Completed projects included establishment of the Sita construction and demolition processing facility, which diverted 101,500 tonnes of waste from landfill, and the upgrade of the Western Land Reclamation recycling facility, to enable processing of gypsum into a suitable material to be used in the manufacture of plasterboard and as an agricultural soil amendment. The project diverted 107,300 tonnes from landfill.

The global financial crisis caused a sharp drop from the record-high commodity prices, which impacted strongly on the resource recovery sector as profit margins reduced considerably and volumes of material for recovery reduced. The impact was immediate, affecting nearly one third of projects in the program: four projects that would have diverted around 140,000 tonnes from landfill were withdrawn, four requested and were approved extensions into 2009–10, and one was cancelled.

Planning appeals resulted in delays to the commencement of Alex Fraser Group's project to establish a construction and demolition recycling facility in Melbourne's south-east which would have diverted in excess of 300,000 tonnes from landfill.

These two issues fundamentally impacted on the ability to deliver the targeted 474,000 tonnes of additional recovery.

During 2008–09, we obtained \$1.7 million of National Packaging Covenant funding to recover 42,000 tonnes of recyclable packaging from small to medium enterprises (SMEs). Through a competitive funding process, two partners, Transpacific Industries Group and SKM Recycling, were contracted to deliver this additional recovery by June 2011.

Municipal Resource Recovery

The Municipal Resource Recovery program helps local governments develop best practice waste management facilities and tools to achieve the Towards Zero Waste target of a 65% recovery rate of municipal and household waste by 2014.

Sustainability Victoria invested \$2.3 million in municipal resource recovery and 16 projects were completed, which recovered 12,661 tonnes of resources from the municipal waste stream⁴. These projects included:

- + five new resource recovery centres in Ballan, Glen Iris, Kilmany, Mortlake and Mt Edgerton
- + four new resale centres in Bairnsdale, Melton, Reservoir and Wodonga
- + three resource recovery centres upgrades in Carisbrook, Reservoir and Horsham.

A research project, Analysis of Kerbside Performance across Victoria, reviewed the variables that affect kerbside recycling in metropolitan Melbourne and

regional Victoria to determine the barriers and drivers to optimal kerbside diversion rates. The research found:

- + broad consistency in the types of materials collected in metropolitan and regional councils
- + in metropolitan councils, a higher diversion rate occurs when a higher proportion of residents speaks only English at home and when there is a lower unemployment rate
- + in regional councils, a higher diversion rate occurs when the majority of residents are aged under 54 and when the majority of occupied private dwellings are rentals.

Sustainability Victoria launched a new regional program during the year to specifically increase recovery in regional Victoria. Eighteen projects were approved and will commence in 2009–10.

Review of Regional Waste Management Groups

In February 2009, Sustainability Victoria commenced a review of Victoria's 12 Regional Waste Management Groups. This extended an earlier review started by the Department of Sustainability and Environment in 2007.

The intention of the review is to strengthen regional Victoria's capacity to deliver on the Government's Towards Zero Waste targets, while enabling local governments to provide waste services to their communities at more cost-effective levels.

A central element of the review is extending the market focus that characterises the Metropolitan Waste and Resource Recovery Strategic Plan to the regional areas of Victoria. Sustainability Victoria undertook analysis of market flows and drivers for waste recovery in regional Victoria, identified the objectives and needs of regional local governments regarding waste, and examined the role of regional bodies in assisting regional stakeholders to deliver on the Towards Zero Waste targets.

A steering committee was established to guide the review and extensive consultation was carried out with the groups, local government, industry and community groups involving over 240 participants.

Improved organics recovery

62,362 tonnes of green organics were processed through the Organics Best Practice program, which represented an increase of 2,949 tonnes over the previous year. The best practice contract with the City of Greater Dandenong was completed in June, and delivered 45,500 tonnes of green organics for processing at the Natural Recovery Systems in-vessel composting facility during the five years of the contract.

4 And 10,263 tonnes of GHG abatement

The Healthy and Sustainable Gardens Program – part of our market development strategy – created significant growth in demand for recycled organic products (composts and mulches). Spring and autumn promotions, delivered in partnership with the Metropolitan Waste Management Group and Compost Victoria, resulted in sales of 10,819 m³ of product through 39 participating retailers and 21 councils.

Sustainability Victoria's Market and Industry Development Officers made major progress, engaging end markets for quality recycled organic products, through a series of events and forums targeting key end-users in metropolitan and regional areas.

Sustainability Victoria also held events for the compost industry, showcasing expert speakers who reinforced the messages of quality systems and quality products, and the importance of the Certified Compost Scheme. As a result, four Victorian composters are full members of the national Advancing the Recycled Organics Industry scheme. Data from Compost Victoria indicated that sales in 2009 increased by 5–10%, with half of this increase attributed to our market development programs.

Product stewardship priorities

Sustainability Victoria continued working to establish voluntary product stewardship schemes in priority product sectors and other significant waste-generating product sectors.

Byteback™ continued to be an effective and efficient voluntary model for collecting end-of-life computer equipment, supporting the implementation of a national product stewardship program. The program collected 871 tonnes of computer waste from eight locations⁵.

Phase 1 of the Batteryback™ household rechargeable battery pilot collected 944 kg of batteries from retail outlets. Key findings included identifying brands most represented in the waste stream, and that non-rechargeable batteries made up almost 70% of batteries collected.

Flashback™, the trial collection program for household mercury-containing lamps, was completed and helped government and industry establish benchmark costs for collecting unwanted light globes and the systems and infrastructure needed. Despite the focus on mercury-containing lamps, the trial found only 28% of the 423 kg collected met this criterion.

Sustainability Victoria continued to work with the paint industry through its peak body, the Australian Paint Manufacturers Federation, to implement a national voluntary product stewardship scheme for paint and paint packaging, following the successful Paintback pilot in previous years.

Adopting lifecycle approaches for product and service development

Sustainability Victoria undertook a variety of activities to help integrate Design for Sustainability into product development practices, including adopting lifecycle thinking across Sustainability Victoria.

The Design for Sustainability project aims to stimulate innovation in product development and market availability and was extended to reach a wider group of product development professionals and decision-makers throughout supply chains.

Partnering with Plastics and Chemicals Industries Association (PACIA), Sustainability Victoria developed Quickstarts, incorporating online information on lifecycle thinking and design for sustainability for product development supply chain professionals in the building products and plastics sectors. Quickstarts provides product development professionals with access to information about sustainability for the lifecycle of a product, which will become increasingly important to delivering improvements in response to climate change. Sustainability Victoria worked with the Victorian Government-funded Design Victoria's Business Ready and Design Ready programs to embed Design for Sustainability into forums for designers and manufacturers; 311 people attended the forums.

Our joint sponsorship and management of the Design for Sustainability exhibit at the National DesignEx Forum, in conjunction with Design Victoria, enabled us to reduce costs for SMEs to exhibit at this prestige event. As a result 27 small businesses, such as Eco Block and Modtank, were able to showcase sustainable products and services such as flooring, water tanks, electrical equipment and furniture to an audience of 25,000 product specifiers, architects and interior designers.

To highlight growth in sustainably designed products, Sustainability Victoria continued to partner and sponsor high-profile design awards:

- + Australian International Design Award (AIDA) for Excellence in Sustainable Design, in cooperation with WSP Environmental and Design Institute of Australia
- + a sustainability education grant as a prize in the Design Institute of Australia's Interior Design Awards.

5 Equating to over 4,700 tonnes of greenhouse gas abatement



Key partners

- Alex Fraser Group
- Amcor
- Australian Information Industry Association
- Australian Paint Manufacturers Federation
- Circle Recycling
- Compost Victoria
- Delta Recycling
- Design Victoria
- Lighting Council of Australia
- Metropolitan Waste Management Group
- Plastics and Chemicals Industry Association
- Regional Waste Management Groups
- Sita
- SKM Recycling
- Transpacific Industries
- Veolia Environmental Services
- Visy Australia
- Western Land Reclamation

Best Practice Organics participants

- Boral
- BP Organics
- City of Bayside
- City of Cardinia
- City of Greater Dandenong
- City of Greater Shepparton
- City of Kingston
- City of Monash

Part 11

ResourceSmart Governments



ResourceSmart Governments works with all three levels of government to support the development and implementation of sustainability policies, regulations and programs that will lead to improved resource efficiency and reduced greenhouse gas emissions. In addition to their policy role, it is important that governments demonstrate leadership in environmental sustainability. ResourceSmart Governments provides information, support and recognition to assist Victorian Government agencies and local government authorities to reduce their own greenhouse gas emissions and improve resource efficiency.

Sustainability Victoria's work in the government sector is twofold:

- + provision of support to state and local government agencies to develop and implement Environmental Managements Systems within their organisations to

reduce the environmental impact of their operations and the services they provide.

- + work with state and federal government policy departments to support national policy development processes and provide valuable strategic and technical advice across the energy, waste and water sectors.

Program Summary

ResourceSmart Government

The ResourceSmart Government Program delivers on the Victorian Government's Environmental Sustainability Action Statement (July 2006) commitment to expand environmental management systems into public entities by 2010–11. ResourceSmart gives state agencies specialised training, coaching, peer-to-peer learning opportunities and a range of tools and resources.



Sustainability Victoria provided 52 state government entities, ranging from Alpine Resort Management Boards to Zoos Victoria, with access to practical, integrated information and tools to help reduce their environmental impacts from both corporate and service activities.

The program has been well received by participants and has led to quality environmental strategies, reduced environmental impacts and the creation of green jobs. Examples of specific achievements include:

- + 30% energy saving at the Public Records Office of Victoria
- + green teams operating or being formed at more than 24 agencies
- + fifty staff members trained in creating and implementing environmental strategies.

Having brought 90 state entities into the program, which has so far led to the creation of 24 individual environmental strategies to reduce energy, water, waste, greenhouse emissions and other impacts, the program expanded in 2008–09, with pilot programs in the healthcare and tertiary education sectors.

Sustainability Victoria expanded the range of assistance provided to Victorian local governments. To assist local governments to identify and track their performance in relation to resource efficiency and reducing greenhouse gas emissions, Sustainability Victoria:

- + upgraded the Utility Tracker data management tool, which assists in management of energy, water, fleet and public lighting
- + developed the Best Practice Tracker to compare the energy performance for leisure centres, libraries and offices
- + developed the Local Government Information Portal to combine in one website the range of information resources for local government.

Sustainability Victoria also supported local government sector organisations, for instance by establishing a partnership agreement with the Municipal Association of Victoria to assist policy development, communication and project delivery. This partnership has led to Municipal Association of Victoria (MAV) involvement in the Sustainability Victoria-led review of the Regional Waste Management groups, development and maintenance of the MAV sustainability website and the inclusion of relevant Sustainability Victoria program information into the MAV bulletins.

Government policy support

Sustainability Victoria worked closely with the Department of Primary Industries to help deliver the Victorian Energy Efficiency Target Scheme, develop the Climate Change Green Paper and established the Energy Efficiency Reference Group to coordinate Victorian Government energy efficiency programs for households.

Sustainability Victoria also collaborated with the Department of Sustainability and Environment, Department of Primary Industries and Department of Planning and Community Development to promote the uptake of renewable and low emissions energy supply options.

Energy efficiency policy support

At the national level, Sustainability Victoria participated in the National Framework for Energy Efficiency and led Victoria's involvement in the Minimum Energy Performance Standards (MEPS) program for appliances and equipment – the national program that coordinates energy labelling and standards.

Sustainability Victoria also:

- + worked with Department of Primary Industries on the development of the National Strategy for Energy Efficiency and contributed to the development of the Commonwealth's Home Energy Efficiency package in Victoria
- + led Victoria's contribution to the introduction of new MEPS for set-top boxes and external power supplies, commercial chillers and computer room air conditioners. Also helped advance regulatory processes for various products, including MEPS and energy labelling for televisions, and MEPS for incandescent lamps, compact fluorescent lamps and transformers of low-voltage halogen lamps
- + continued to manage national projects on gas-ducted heaters, industrial equipment and commercial catering equipment on behalf of the national committee. Completed an end-use metering study of 10 commercial kitchens in Melbourne as well as the first draft of a discussion paper on the development of an Industrial Equipment Strategy, and work continued on developing new test standards for gas-ducted heaters
- + provided technical advice to support the implementation of the Victorian Energy Efficiency Target Scheme which began in January 2009, developing the algorithms to generate Victorian Energy Efficiency Certificates in consultation with the DPI and the Essential Services Commission, and advised on the drafting of the regulations.

Renewable energy policy support

Sustainability Victoria worked collaboratively with several government departments to promote the uptake of renewable and low emissions energy supply options.

Sustainability Victoria supported the Department of Primary Industries in providing advice on the design of the Commonwealth's expanded mandatory renewable energy target scheme. As the central point of contact in the Victorian Government for wind energy, we helped progress two projects to address barriers to the development of the wind industry – the Brolga Population Viability Model and the Wind Farms and Aviation Safety project.

Waste policy support

Sustainability Victoria worked with the Department of Sustainability and Environment, EPA Victoria and the Metropolitan Waste Management Group to develop the Metropolitan Waste and Resource Recovery Strategic Plan, which was released in March 2009.

In conjunction with the Department of Sustainability and Environment, EPA and the Metropolitan Waste Management Group, Sustainability Victoria began a review of the Towards Zero Waste Strategy. The aim is to assess progress against the strategy's objectives, targets and actions and identify any new actions that may be required to meet the strategy's targets to avoid the generation of waste, increase resource recovery and improve littering behaviour.

Sustainability Victoria undertook targeted consultation on the Victorian Government's draft Litter Strategy with a view to releasing the final strategy in early 2009–10. Sustainability Victoria also consulted on a detailed draft of Victoria's Solid Industrial Waste Management Plan. Finalisation of the plan will follow the outcomes of the Review of the Towards Zero Waste Strategy.

Built environment policy support

Sustainability Victoria provided advice on policies and programs initiated or supported by COAG, including strengthening of energy efficiency regulations for commercial buildings, mandatory disclosure of energy performance for commercial buildings and energy and water performance for residential buildings, and increasing the energy efficiency requirements for new homes.

ResourceSmart Water Industry

Sustainability Victoria continued to facilitate the Victorian Water Industry Greenhouse Working Group, which is the primary forum for water corporations to discuss greenhouse gas and energy-related issues, and participated in various water industry working groups, including the VicWater working group for biosolids and water efficiency.

Sustainability Victoria supported Wannon Water with its innovative Living Water Project, through the development of the business case and by providing 650 compact fluorescent globes and energy information brochures.

Sustainability Victoria also partnered with South East Water, which supplemented Energy and Water Task Force activities in parts of Frankston, replacing single-flush toilets with water-efficient dual-flush toilets.

Key partners

- Commissioner for Environmental Sustainability
- Department of Environment, Water, Heritage and the Arts (Commonwealth)
- Department of Human Services
- Department of Planning and Community Development
- Department of Primary Industries
- Department of Resources, Energy and Tourism (Commonwealth)
- Department of Sustainability and Environment
- Metropolitan Waste Management Group
- Municipal Association of Victoria
- Skills Victoria
- South East Water
- Wannon Water

Part 12

Sustainability Fund



The Sustainability Fund, on behalf of the Victorian Government, is jointly administered by the Minister for Environment and Climate Change and the Treasurer. Sustainability Victoria manages the fund through the Sustainability Fund Secretariat.

In supporting Victorians to take action on sustainability, the purpose of the fund is to:

- + transfer sustainable behaviours and actions into the mainstream
- + encourage innovation or best practice in resource use
- + investigate and develop strategic tools, markets and analysis of trends
- + encourage partnerships to assist implementation of projects.

In so doing, the fund helps secure our environmental future. It embraces and invests in the concept that caring for the environment can also support Victoria's economic and social development and be a catalyst for creating innovative new markets, products and services. It complements Sustainability Victoria programs by providing links with a broad range of stakeholders and

is a testing ground for community and business-led sustainability programs and leading innovations in industry.

In 2008–09, Sustainability Victoria announced \$13.7 million of new sustainability initiatives from the Sustainability Fund. Twenty-one local governments in metropolitan and regional Victoria received grants of over \$1.8 million for projects through the Local Sustainability Accord program, and seven new Neighbourhood Renewal sustainability projects were supported by grants of almost \$400,000. We announced a further \$11.5 million of investment from the Sustainability Fund this year for ResourceSmart Hubs, Climate Change Proofing Low Income Households and Zero Emission Neighbourhoods programs.

The Sustainability Fund managed over 100 diverse projects across metropolitan and regional Victoria. The Sustainability Fund Open Rounds, the Victorian Local Sustainability Accord, the EcoLiving Grants Program, Neighbourhood Renewal and ESAS commitments supported various projects. Projects delivered this year include an environmentally friendly retirement village, an eco-museum, a green office relocation service, and an energy and water saving demonstration dairy.

Part 13

The Premier's Sustainability Awards



Left to right: Mr Gavin Jennings MLC, Minister for Environment and Climate Change, Mike Waller, Anita Roper, Rove McManus, The Hon. John Brumby, Premier

The Premier's Sustainability Awards recognise excellence in sustainability within the community, the built environment, business and industry, and in the development of products and services.

Sustainability Victoria manages the awards, the flagship sustainability event for the Victorian Government, on behalf of the Premier.

The theme for the 2009 Sustainability Awards was Innovation in Sustainability.

There were 60 submissions, and while the number of submissions was higher in 2008, the judges commented that the calibre of entries in 2009 was significantly higher overall.

The awards ceremony, held at Crown Palladium on 16 April 2009, was a sustainable event, held at a waste-wise accredited venue. GreenPower powered the event, which featured a fully organic, locally-sourced menu and take-home table centrepieces. The menu, in fact, earned Crown the 2009 Restaurant and Catering Industry's Award of Excellence.

Rove McManus was MC for the ceremony and Molly Harriss Olson, Director EcoFutures, was the keynote speaker.

Sponsorship was provided by: ISPT (principle sponsor); TRUenergy (major sponsor); Allira Elgo Estate (wine sponsor); Print Bound (print sponsor); and Sensis, Carbon Down and Rheem (category sponsors).

ResourceSmart Primary School of the Year Award – Mildura West Primary School

Winner, ResourceSmart School of the Year; Winner, Waste Smart School of the Year; and Finalist, Water Smart School of the Year

Pupils at Mildura West Primary School have developed a keen awareness and practical approach to sustainability. Rainwater tanks have enabled the school to keep its sports oval in shape, and pupils analyse river water every month as part of the community water sampling project. Students collect plastic for recycling and the school buys it back, reconstituted into park benches and other furniture. Wednesdays are 'What you bring in you take out' day, with students and teachers taking home any rubbish and recyclable material they generate. The school's Water Ambassadors work with Years 3 and 4 students from around the region on projects to heighten awareness of water-saving measures.

ResourceSmart Secondary School of the Year Award – Western Port Secondary College

**Winner, ResourceSmart School of the Year;
Winner, Energy Smart School of the Year;
Winner, Biodiversity Smart School of the Year; and
Winner, Water Smart School of the Year**

Since this school conducted a water audit and embarked on water-saving measures and behaviour change, it has saved 35,000 litres of water a day and over the past five years saved up to \$40,000 annually on energy bills. Sustainability is woven through the curriculum: students built an adobe oven as a maths project, and have constructed a frog bog and habitat area. The ripple effects don't stop at the school gates: staff and students regularly present their efforts at conferences and to visiting school groups.

Premier's Recognition Award – Sustainable Plumbing Solutions

When Brent Papadopoulos started Sustainable Plumbing Solutions in 2002, he was told there was no market in rainwater tanks, grey water systems and solar hot water. It is now a leading designer and installer of water-saving technology and has worked on Solar Systems research and development plant at Bridgewater, near Bendigo, a showcase for new solar-hydrogen technology. Rainwater is captured from the roofs, and used for drinking, hot water supply, and some cold water supply; grey water is recycled and used for flushing, washing machines and irrigation; and surface water is captured in a swale system and diverted to a cooling pond.

Built Environment Award – Lend Lease

In April last year, leading property group Lend Lease unveiled its flagship green building, The Gauge, at 825 Bourke Street, Victoria Harbour (Docklands). It is among Australia's first buildings to receive a 6-star environmental rating by the Green Building Council of Australia. It features a black water recycling treatment plant in the basement, which recycles 92% of waste water per year, an on-site gas-fired cogeneration system that harnesses waste heat, redirected stormwater to irrigate landscaped areas, chilled beam cooling, parking for cyclists, and two atria to buffer against heat. Internationally, Lend Lease has signed on to a program with Bill Clinton's Climate Change Initiative, to make environmentally friendly modifications to existing buildings in its portfolio. This year it was included for the first time in the prestigious Global 100 list of the world's most sustainable companies.

Large Business Award – Yarra Valley Water

In 2006, Yarra Valley Water began a research project with RMIT University and CSIRO on water and sewerage servicing for new developments. The research compared alternative servicing options such as recycled water, rainwater tanks and grey water recycling, with traditional centralised servicing. It found alternative servicing options can produce better environmental outcomes, such as reductions in greenhouse emissions, nutrients and stormwater run-off, and lower community costs than traditional options. In 2008, the project won an International Water Association prize for research excellence.

Community Award – Bentleigh West Primary School

Bentleigh West Primary School has a full-time environmental science coordinator and educates other schools and community groups wanting to make their mark. Every year it holds a sustainability expo in which pupils from Years 1 and 2 run a restaurant using produce from the vegetable patch and eggs from the chooks and Years 5 and 6 shoot and edit TV programs on environmental issues. The school's buildings have passive heating and cooling, ceiling fans, solar panels, water tanks, worm farms and recycling.

Products or Services Award – mecu Limited

mecu Limited is the first credit union in the world to sign on to the United Nations Environment Program Finance Initiative. It is on a mission to offset the carbon emitted as a result of its lending operations. Its GoGreen car loans offer a lower interest rate for greener vehicles, while home loans offer special repayment provisions for borrowers installing features such as rainwater tanks and solar panels. mecu also recently bought a property in Victoria's Wimmera region, containing prime conservation habitat for the South-Eastern Red-tailed Black Cockatoo, best known as the Commonwealth Games mascot, Karak. This 201 hectare piece of land allows mecu to offer a Biodiversity Offset on home loans for new buildings: if any land is cleared for construction, mecu replants an equivalent area.

Part 14

Building Our Capability



The success of Sustainability Victoria depends on our ability to attract, engage and retain skilled employees. We believe that being an employer of choice will enable us to compete for skilled candidates in a global economy. We also believe that building an engaged and committed, performance-focused workforce will position the organisation to deliver on its business commitments.

Environmental Management

Leading by example

Sustainability Victoria's commitment to environmental management involves demonstrating the possibilities for sustainability in the workplace. Our Environmental Sustainability Policy commits us to implement an accredited Environmental Management System – ISO 14001 (EMS) and keep seeking opportunities to better manage and minimise our environmental footprint.

We continue to meet stretch targets for our established objectives focusing on the priority areas of energy, water, waste management, paper, transport and sustainable procurement.

GreenLeaders

Sustainability Victoria has a GreenLeader team to support EMS functions and implement initiatives to improve our operations and meet our objectives. Comprising the EMS Coordinator, Deputy EMS Coordinator and 12 GreenLeaders nominated from across the organisation, the group meets regularly to progress actions.

The GreenLeaders also worked with a number of local businesses, government and community groups through the year providing tours of our office fit-out and advice on the benefits of having an established green team to encourage environmental outcomes.

Key EMS outcomes

In 2008–09 Sustainability Victoria:

- + retained our certification to ISO 14001
- + reduced energy consumption by 2% and are now consuming 45% less than when we moved into 50 Lonsdale Street.
- + implemented a major water reduction initiative was incorporating new activity sensors for all male urinals at 50 Lonsdale Street to halve our recycled water throughput compared to 2007–08
- + achieved a 97% recycling rate with the inclusion of more recycling streams including secure paper and other plastics
- + formally adopted a Sustainable Procurement Policy and operating procedure to guide staff on criteria for consideration when procuring products or services
- + improved clauses in tender documents and have strengthened our influence on suppliers and stakeholders by including environmental clauses in all new contracts
- + measured the greenhouse gas pollution generated from our daily activities including office tenant light and power, base building gas and electricity, fleet vehicle petrol, kitchen and vehicle refrigerants, air, public transport and taxi travel, water use and waste to landfill
- + continued to purchase 100% government-accredited Green Power for our office tenant light and power
- + offset our vehicle emissions through the whole of Victorian Government Vehicle Fleet Offset tender, and we have committed to offset the additional estimated 392 tonnes of greenhouse gas pollution generated over the year via a reputable carbon offset program.

Office-based environmental impacts

Performance against our key EMS objectives is shown in Appendix 3.

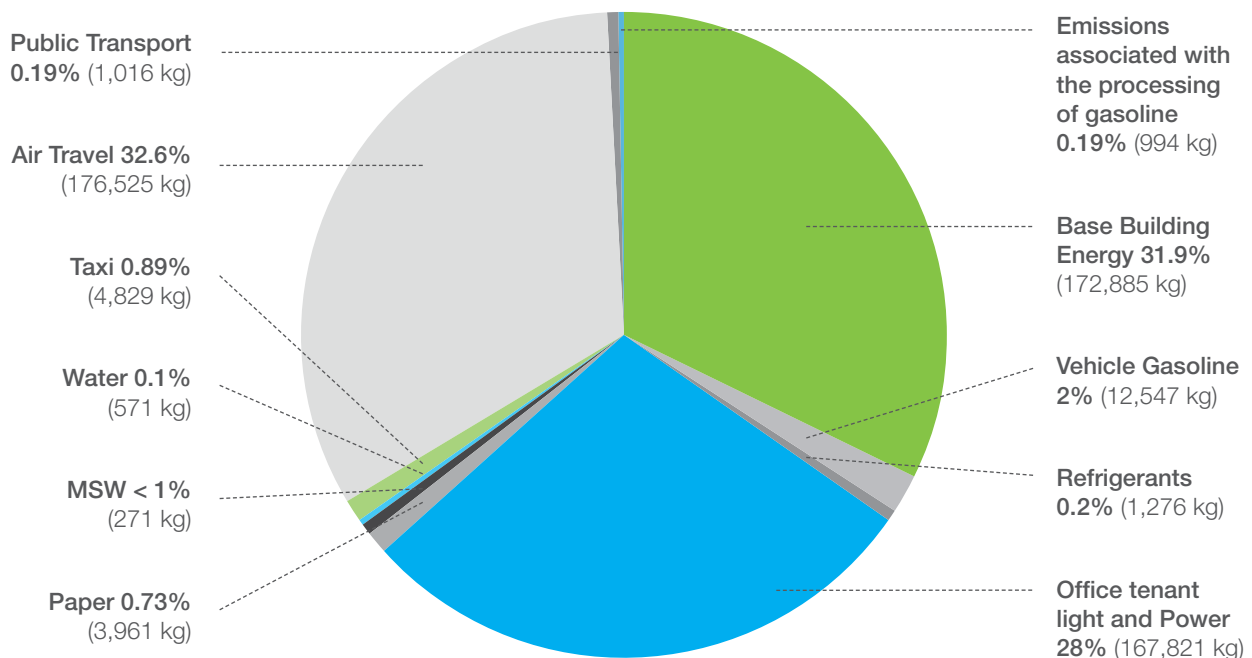


Exhibit 8: Sustainability Victoria GHG Inventory 2008–09

In 2009–10, a carbon management strategy will be agreed upon and implemented for managing operational emission.

People and Culture

Sustainability Victoria places high value on engagement and retention of skilled employees. This year, we aligned our organisational structure to meet our new strategic plan, which has contributed to achieving an engaged and committed performance-focused workforce, positioning us to deliver on our business commitments.

Our workforce

Sustainability Victoria enjoys a well-balanced workplace in terms of age, gender and education.

Our employees have a wide range of professional skills, including corporate planning, engineering, architecture, environmental science, information management, marketing and communications, public policy, business and accounting, education, finance, human resources and the arts.

Sustainability Victoria is focused on reinvesting in the skills of our workforce, and it was a continuing priority to provide customised learning and development programs, access to leading thinkers from around the globe and challenging project opportunities that build our internal capability.

We also continued customised training around priority needs, such as Understanding Government workshops, Carbon Accounting, Project Management, Advanced Writing, Tender Management, as well as providing financial support for various individual training needs, attendance at relevant conferences and study assistance. We piloted a mentoring program for our staff aimed at matching up new starters with more experienced staff.

Sustainability Victoria employed 134.4 Full-Time Equivalent (FTE) staff in 2008–09, compared with 120.6 FTE in 2007–08.

A safe workplace and employee wellbeing

Sustainability Victoria is committed to ensuring a safe and risk-free work environment for all employees. Comprehensive Occupational Health and Safety (OH&S) policies have been implemented and the OH&S responsibilities of managers and employees are a key performance indicator in individual performance plans.

We provided updated OH&S training to all staff, and to our OH&S Working Group members. Our OH&S Working Group also developed an annual OH&S plan containing monthly safety themes to improve proactive engagement around health and safety.

In 2008–09, we had to report our first Lost Time Injury, which resulted in one day of lost time for a minor incident. There were no Workcover claims for the year.

Sustainability Victoria actively promotes general health and wellbeing. Our wellbeing program is updated every year with employee input, and includes initiatives such as flexible work hours, free and confidential professional counselling for work and personal issues, skin checks, flu vaccinations and working parent wellbeing workshops.

Our OH&S Policy is shown at Appendix 4.

Key OH&S outcomes are shown at Appendix 5.

Key performance indicators

In 2008–09 Sustainability Victoria recorded:

- + zero days lost due to industrial action
- + no formal written complaints
- + zero equal opportunity, bullying or harassment complaints
- + one day of lost time for a minor incident
- + no WorkCover claims
- + absenteeism (average days lost) of 6.27 days
- + an average of six training days per employee.

Staff turnover increased slightly to 23.1%, compared with 19.9% in 2007–08⁶. However, this should be seen in the context of the continued growth in the first half of the year in the number of organisations, particularly from the field of business, seeking people with environmental sustainability skills. The last half of the year saw a consistent decline in staff turnover, and we believe a continued focus on organisational culture and other retention initiatives will further reduce staff turnover.

See Appendices 6 and 7 for data on workforce composition and average salaries by gender and VPS classification.

Industrial Relations

All employees have access to union membership and their employment terms and conditions are governed by the Victorian Public Service Agreement, with the exception of executive officers. The VPS Agreement documents hours of work, competency levels, rates of pay and annual pay increases as well as leave requirements and disciplinary and grievance procedures. Executive conditions are governed by the Government Sector Executive Remuneration Panel and these conditions are outlined in the standard executive contract and executive handbook produced by the State Services Authority.

All employee concerns are dealt with promptly and fairly, consistent with the merit and equity principles of the VPS and there were no days lost due to industrial action and no formal written complaints in the 2008–09 year.

6 Note: the 2007–08 *Annual Report* incorrectly stated staff turnover as 18%. This error was identified after publication of the report.



Merit and Equity

Sustainability Victoria is committed to maintaining a workplace free of harassment, discrimination and bullying. These principles are documented in the Victorian Government's merit and equity standards and embodied in the *Public Administration Act 2004*. All of our people management systems and procedures have been designed to ensure that these standards are consistently met and all decisions relating to employment, including recruitment, remuneration and access to promotion and training and development opportunities, are based strictly on merit.

Our grievance procedures, which are impartial and protect confidentiality, provide the means for employees to register complaints and there is access to external protection under the provisions of the *Whistleblowers Protection Act 2001*.

There were no equal opportunity, bullying or harassment complaints in the 2008-09 year.

Enabling Technologies

In 2008–09, we conducted a review of our business information systems that:

- + clarified our business and management reporting and governance requirements
- + analysed the effectiveness of the current systems
- + identified system gaps
- + identified options for improving our management reporting and governance systems.

As part of our Business Continuity Plans this year, we implemented our Disaster Recovery Plan and developed our Crisis Management Plan.

Part 15

Strengthening Our Operations



Our systems and processes are designed to provide effective and efficient support for the delivery of our programs and services. We will continue to ensure that they support our staff in providing the best value for money in delivering the Victorian Government's sustainability initiatives.

Sound governance and accountability

Sustainability Victoria strengthened and streamlined its governance and accountability processes in 2008–09. A key initiative was a review of the Privacy Policy and processes to support increased and more sophisticated communications activity.

Project office

Project reporting and project risk management were improved through further development of our standardised Project Reporting Database that can produce monthly reports on all project status. Specifically, it brought together the key elements of budget planning, preparation, execution and reporting using a single repository of management information.

Knowledge management

Sustainability Victoria strengthened the capture and dissemination of its data, information and knowledge in 2008–09. We completed the Local Government Data Collection Survey report and the Victorian Recycling Industry Annual Survey to support our Towards Zero Waste Strategy program. We also delivered two key



research reports: the *Best Practice Bin Audit Guide*, and *Emerging Residential Technologies* study. Sustainability Victoria purchased the Clean Communities Assessment Tool for measuring and surveying littering behaviour and benchmarking location features that influence behaviour.

Our foundation capability for data, information and knowledge management was strengthened in 2008–09. We piloted the new enterprise-wide document classification system and fine-tuned it before phased rollout. We also announced the Document Management Policy and Retention and Disposal Policy for general administrative records to comply with statutory and government policy requirements.

Knowledge sharing was promoted in knowledge-rich business-critical processes. Notably these included the project process, strategic and business planning, stakeholder engagement, and idea generation processes. We introduced Web 2.0 tools to facilitate knowledge sharing and collaboration along with face-to-face work-in-progress meetings of key stakeholder project teams, community of practice meetings, and facilitated topic discussion forums.

Victorian Litter Report (Clean Communities Assessment Tool)

A key target of the Towards Zero Waste strategy is to reduce littering behaviour by 25% by 2014 compared with 2003 levels. The Victorian Litter Report uses the Clean Communities Assessment Tool to report on progress toward the target.

The Victorian Litter Report provides information on littering and litter in public places in Victoria. It informs on litter prevention in the State and helps guide programs by recommending ways to improve those factors influencing littering behaviour in Victoria.

Results from the 2007 Victorian Litter Report show a 7.7% improvement in litter prevention behaviours from the 2003 benchmark. The next report is scheduled for 2009–10.

Stakeholder strategy

The focus of our stakeholder engagement activities has been on further developing strong and resilient relationships with key stakeholders. A major initiative in 2008–09 was the involvement of those stakeholders in the development of Sustainability Victoria's 2009–14 Strategic Plan.

Sustainability Victoria announced the establishment of the Sustainability Victoria Alumni Association in September 2008, with the aim of continually engaging with an important network of contacts that have moved on to significant positions in the business, community and government sectors.

Legislative Compliance

Building Act

Sustainability Victoria did not undertake any building works that fall within the provisions of the *Building Act 1993*. All of our premises are leased.

Community inclusiveness

The Victorian Government is committed to delivering services in a way that supports and strengthens local communities. One of the Government's goals in this regard is to embrace diversity in local communities, supporting and advocating for indigenous communities, young Victorians, women and culturally and linguistically diverse communities.

Sustainability Victoria endeavours to ensure that our activities and operations reflect the cultural diversity in the community by taking into account youth, cultural and linguistic diversity, women's and indigenous affairs. Wherever appropriate, we incorporate consideration of indigenous affairs and issues into our policy and initiatives.

Sustainability Victoria provides sustainability information in languages other than English on request by telephone (free call) 1300 363 744 or email info@sustainability.vic.gov.au

Freedom of Information Act

The Victorian *Freedom of Information Act 1982* gives individuals the right to request information held by Sustainability Victoria. During the year, we received two requests for information in accordance with the Act. Full access was granted to the information requested.

Freedom of Information requests may be made to the Freedom of Information Officer:

Mr Derek Jones
Sustainability Victoria
Level 28
50 Lonsdale Street
Melbourne Victoria 3000

All applicants must include the \$22.70 application fee. Copies of information on our Freedom of Information process and charges other than the application fee for the provision of access to requested material can be obtained from Sustainability Victoria on (03) 8626 8700 or from our website at www.sustainability.vic.gov.au

The following information is available on request subject to the Victorian *Freedom of Information Act 1982*:

- + a statement that Declarations of Private Interests have been completed by all relevant officers

- + publications about Sustainability Victoria produced by Sustainability Victoria
- + overseas travel undertaken including a summary of the objectives and outcomes of each visit.

Information Privacy Act

Sustainability Victoria collects and uses customer information in accordance with our Information Privacy Policy and the *Information Privacy Act 2000*. No complaints were received in 2008–09 for breaches of privacy.

A copy of our Information Privacy Policy is available from Sustainability Victoria on (03) 8626 8700 or from our website at www.sustainability.vic.gov.au

National Competition Policy

Sustainability Victoria complied with the legislative requirements and principles agreed to under National Competition Policy. Competitive Neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. Sustainability Victoria continues to implement and apply this principle in its business undertakings.

Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*, which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. Departments and public bodies are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

During 2008–09, Sustainability Victoria began a new \$4.2 million contract affecting both metropolitan Melbourne and regional Victoria. Contractor commitments by the contractor under VIPP included:

- + an overall level of local content of up to 98% of the total value of the contract and eight full-time equivalent jobs
- + benefits to the Victorian economy in terms of skills and technology transfer, including operation of advanced waste management technologies, occupational health and safety skill training, chemical awareness and safety training, warehouse and storage certification, driver certification in transporting Prescribed Industrial Waste, development of computer and technical data management skills.

No contracts were completed in 2008–09.

Whistleblowers Protection Act

The Whistleblowers Protection Act 2001 aims to encourage and aid the making of allegations of improper conduct against staff of Victorian government authorities. Sustainability Victoria is committed to the aims and objectives of the Act, and recognises the value of transparency and accountability in its administrative and management practices. Improper conduct by staff is not tolerated, nor actions that involve reprisals against those who come forward to disclose such conduct.

In 2008–09, no disclosures were reported in accordance with the Act.

Disclosures of improper conduct or detrimental action by Sustainability Victoria or its employees may be made to the Protected Disclosure Officer:

Ms Jan Trehwella
Sustainability Victoria
Level 28
50 Lonsdale Street
Melbourne Victoria 3000
Telephone (03) 8626 8700
Facsimile (03) 9663 1007
Email jan.trehwella@sustainability.vic.gov.au

A disclosure about an improper conduct or detrimental activity by Sustainability Victoria or its employees may also be made directly to The Ombudsman Victoria:

Mr George Brouwer
Level 22
459 Collins Street
Melbourne Victoria 3000
Telephone: (03) 9613 6222
Toll free: 1800 806 314
Email: ombudvic@ombudsman.vic.gov.au

A copy of Sustainability Victoria's *Whistleblower Protection Procedures* can be obtained by contacting Sustainability Victoria on (03) 8626 8700 or from our website at www.sustainability.vic.gov.au

Part 16

Summary of Financial Performance

Financial performance and position summary (\$'000)*

	2009	2008	2007	2006
Revenue from Government	53,512	21,559	16,047	16,427
Other revenue	25,198	26,875	24,483	19,197
Total income	78,710	48,434	40,530	35,624
Total expenses	78,905	43,797	38,591	39,624
Net result for the period	(195)	4,637	1,939	(4,000)
Net cash flow from operating activities	(13,716)	3,403	(1,183)	1,035
Total assets	37,073	33,189	27,796	26,256
Total liabilities	9,077	4,998	4,243	4,642

* Sustainability Victoria was established on 1 October 2005 under the *Sustainability Victoria Act 2005*. A five year financial summary is therefore not available for this reporting year.

Significant changes in financial position/performance and subsequent events

Both total revenue and expenditure for 2009–09 increased by more than \$30 million, due largely to the Regional Solar Hot Water Rebate Program, funded through the Expenditure Review Committee.

There have been no events subsequent to the balance date of 30 June 2009, which may significantly affect operations in subsequent years.

Major contracts

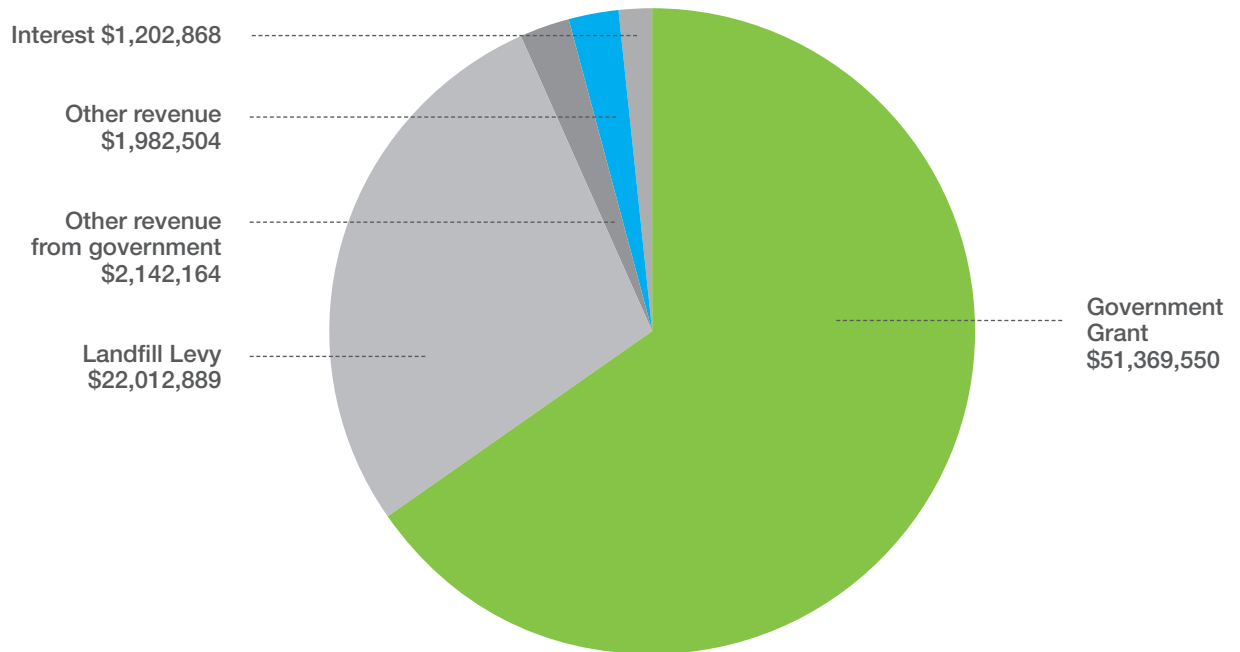
Sustainability Victoria did not enter into any contracts greater than \$10 million in value during the reporting period.

Information available on request

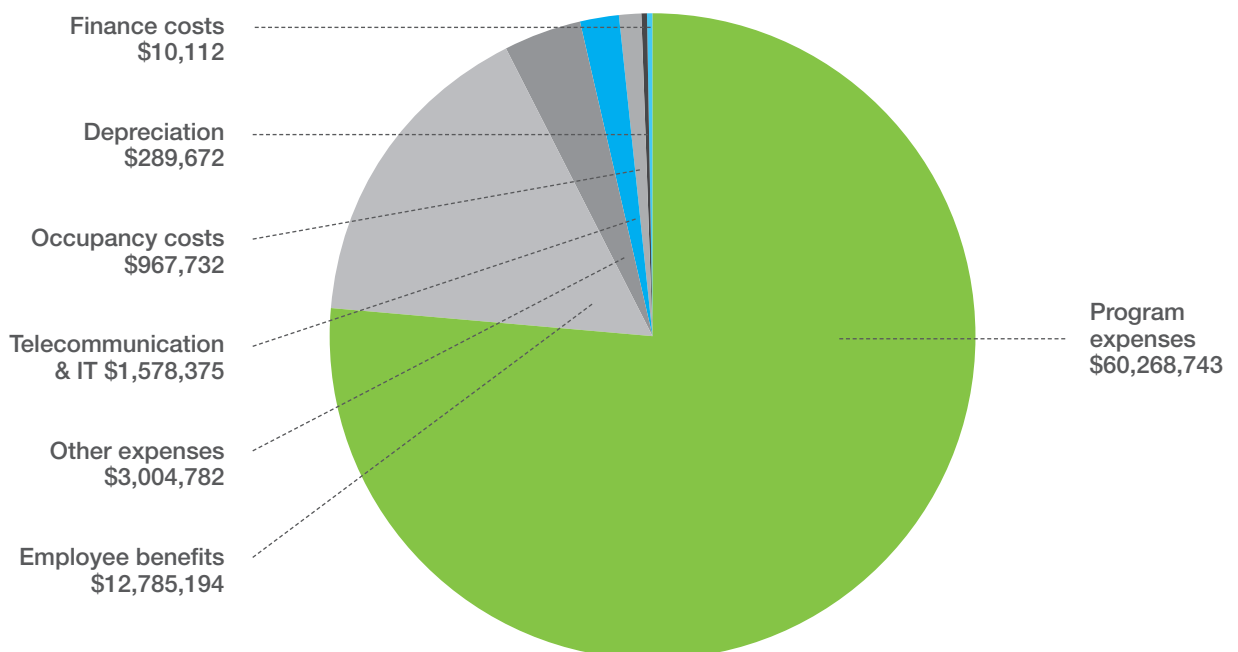
Information relevant to the headings listed in Financial Reporting Direction 22B of the *Financial Management Act 1994* is held at Sustainability Victoria's office and is available on request, subject to the *Freedom of Information Act 1992*.

Please contact 1300 363 744 (Victoria only) or (03) 8626 8700 (within the rest of Australia) or visit our website at www.sustainability.vic.gov.au

Sustainability Victoria Revenue 2009



Sustainability Victoria Expenses 2009



Consultancy engagements in excess of \$100,000

Consultant	Particulars of consultancy	Total fees (\$)	Expenditure this year (\$)	Future commitments (\$)
The Social Research Centre	Community attitudes and behaviours research about environmental sustainability.	297,979	297,979	–
Waste Audit & Consultancy Services	Conduct a compositional waste audit of selected Victorian landfills.	288,940	110,528	178,412
Swinburne University of Technology	Laboratory testing of recycled crushed glass for road construction applications.	125,350	–	125,350
Hyder Consulting Pty Ltd	Analysis of market drivers and barriers to resource recovery in regional Victoria.	105,153	80,000	25,153
Dr Robert R. Noakes & Associates	To develop a business case for infrastructure planning at Armstrong Creek based on leading edge sustainability principles.	100,650	100,650	–

Carry forward from previous year:

Swinburne University of Technology	Develop training and accreditation for facility managers.	195,840	147,500	48,340
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Consultancies

There were six consultancies costing in excess of \$100,000 for the year ended 30 June 2009.

There were 54 consultancies engaged during the year that cost less than \$100,000 each, at a total cost of \$1,646,452.

Part 17

Annual Financial Statements

Comprehensive Operating Statement For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Income from transactions			
Landfill levy	3 (a)	22,012,889	23,583,974
Government grants	3 (a)	51,369,550	20,383,950
Other revenue from government	3 (a)	2,142,164	1,174,857
Interest	3 (a)	1,202,868	1,170,234
Other income	3 (a)	1,771,269	2,121,242
Total income from transactions		78,498,740	48,434,257
Expenses from transactions			
Program expenses	4 (a)	(60,268,743)	(27,246,923)
Employee benefits	4 (b)	(12,715,392)	(11,063,147)
Depreciation	7	(289,672)	(340,611)
Occupancy costs		(967,732)	(936,841)
Telecommunication & IT		(1,578,375)	(1,287,818)
Finance costs		(10,112)	(12,529)
Other expenses		(3,000,876)	(2,557,165)
Total expenses from transactions		(78,830,902)	(43,445,034)
Net result from transactions (net operating balance)		(332,162)	4,989,223
Other economic flows included in net result			
Loss on disposal of assets	4 (c)	(3,906)	(721)
Gain/(loss) arising from revaluation of LSL liability		(69,802)	(350,964)
Gain on sale of intangible assets		211,235	—
Total other economic flows included in net result		137,527	(351,685)
Comprehensive result		(194,635)	4,637,538

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2009

	Notes	2009 \$	2008 \$
ASSETS			
Financial assets			
Cash & cash equivalents	5	4,138,342	17,626,591
Receivables	6	29,925,471	12,116,840
Total financial assets		34,063,813	29,743,431
Non-financial assets			
Property, plant & equipment	7	579,078	644,476
Prepayments		139,211	250,000
Intangibles	8	2,290,803	2,551,068
Total non-financial assets		3,009,092	3,445,544
Total assets		37,072,905	33,188,975
LIABILITIES			
Payables	9	7,027,155	3,105,662
Provisions	10	1,932,759	1,728,558
Interest bearing liabilities	14,19	117,083	164,212
Total liabilities		9,076,997	4,998,432
Net assets		27,995,908	28,190,543
Equity			
Contributed capital	12 (a)	26,048,806	26,048,806
Accumulated surplus	12 (b)	1,947,102	2,141,737
Total equity		27,995,908	28,190,543

As at 30 June 2009, \$23.4 million was committed in contracts and payable upon the successful delivery of milestones in 2009–10 and beyond.

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Total equity at the beginning of the financial year		28,190,543	23,553,005
Net surplus/(deficit) for the financial year	12 (b)	(194,635)	4,637,538
Total equity at the end of the financial year		27,995,908	28,190,543

The above statement of changes of equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from government grants		33,456,150	21,291,850
Receipts from government – other		2,335,012	1,292,343
Receipts from landfill levy		23,028,644	21,391,050
Receipts from clients		1,658,043	1,966,351
Interest received		1,303,830	1,176,226
Goods and Services Tax received from the ATO		3,467,084	3,031,726
Payments to program recipients		(60,197,241)	(29,772,255)
Payments to suppliers and employees		(17,199,835)	(14,792,686)
Goods and Services Tax paid to the ATO		(1,567,456)	(2,181,798)
Net cash flows from/(used in) operating activities	11	(13,715,769)	3,402,807
Cash flows from investing activities			
Payments for property, plant and equipment	7	(244,988)	(309,222)
Proceeds from disposal of property, plant and equipment		1,008	90,387
Proceeds from sale of intangibles		471,500	–
Net cash flows from/(used in) investing activities		227,520	(218,835)
Net (decrease)/increase in cash & cash equivalents		(13,488,249)	3,183,972
Cash & cash equivalents at the beginning of the financial year		17,626,591	14,442,619
Cash & cash equivalents at the end of the financial year	5	4,138,342	17,626,591

The above cash flow statement should be read in conjunction with the accompanying notes



Part 18

Notes to the Financial Statements

Notes to the Financial Statements for the period ended 30 June 2009

Note 1 Summary of Significant Accounting Policies

1.1 General

Statement of Compliance

This general-purpose financial report has been prepared on an accrual and going concern basis in Australian dollars, in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group Interpretations.

The financial report was authorised for issue by Mike Waller (Chair) and Anita Roper (Chief Executive Officer) on 21 September 2009.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Sustainability Victoria is the Secretariat of the Sustainability Fund, which is entitled to a percentage share of Landfill Levy receipts collected and managed by the Environment Protection Authority. Sustainability Victoria periodically invoices the Environment Protection Authority for Sustainability Fund grant payments made or about to be paid, with all transactions (except Sustainability Victoria's management fee) processed through the Balance Sheet.

Comparative Amounts

The accounting policies set out below have been applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is recorded.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008. No amounts have been reclassified.

Rounding of Amounts

Amounts in this financial report are expressed to the nearest dollar.

1.2 Revenue Recognition

Government appropriations, grants, and contributions are recognised as revenue when Sustainability Victoria obtains control over the assets comprising these receipts. Control over granted assets is normally obtained upon their receipt or upon earlier notification that a grant has been secured, and assets are valued at their fair value at the date of transfer. Where conditional grants were recognised as revenue during the year, the unspent portion of those grants are disclosed in Note 3 (b).

Revenue from the Landfill Levy is accrued as it is earned and brought to account in the period to which it relates, based on actual receipts during the year and estimates obtained from the Environment Protection Authority.

1.3 Income Tax

Sustainability Victoria and its predecessor bodies are income tax exempt as per Section 23(d) of the *Income Tax Assessment Act 1936*.

1.4 Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In this case it is recognised as part of the cost of acquisition of an asset or part of the expense. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet. Cash flows arising from operating activities are presented on a gross basis. The GST component of cash flows arising from investment or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

1.5 Program Expenses

Expenditure incurred for each of the various operating areas of Sustainability Victoria has been disclosed in Note 4(a) and includes grants, rebates, advertising campaigns and sponsorships. Grants that form part of program expenditure are accrued on the basis of the percentage of the contract performed as at the reporting date, with the unperformed component of the contract disclosed as Commitments at Note 15 of this report.

1.6 Cash & Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank, deposit at call and short term deposits which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding cheques yet to be presented by Sustainability Victoria's suppliers and creditors.

1.7 Receivables

Current receivables are carried at normal amounts due. Non-current receivables are measured at amortised cost using the effective interest method.

1.8 Property, Plant and Equipment

Items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as assets. Property, plant and equipment held by Sustainability Victoria are measured at fair value.

In accordance with applicable Australian Accounting Standards, all assets are assessed annually for useful life and indications of impairment, and where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement.

Depreciation is provided on all non-current assets on a straight line basis so as to write off the net cost of each asset over its expected useful life, in accordance with applicable Australian Accounting Standards. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period. Depreciation rates used are listed below.

Office Furniture & Equipment	10%–20%
Plant and Equipment	20%–25%
Computer Equipment	25%–33.3%
Motor Vehicles	15%–20%
Leasehold Improvements	20%

1.9 Leased Assets

Financial leases

Leases of property, plant and equipment, where Sustainability Victoria has substantially all the risks and rewards incidental to ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the operating statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease are depreciated over the shorter of the asset's useful life and the lease term.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the operating statement on a straight-line basis over the period of the lease, in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

1.10 Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at fair value. Cost incurred subsequent to initial acquisition is capitalised when it is expected that additional future economic benefits will flow to Sustainability Victoria.

Intangible assets with indefinite useful lives are not amortised. The useful life of intangible assets that are not being amortised is reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, Sustainability Victoria tests all intangible assets with indefinite useful lives for impairment by comparing their recoverable amount with their carrying amount annually, and, whenever there is an indication that the asset may be impaired, the excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

1.11 Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to Sustainability Victoria.

1.12 Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) *Long Service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Sustainability Victoria does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- present value – component that Sustainability Victoria does not expect to settle within 12 months; and
- nominal value – component that Sustainability Victoria expects to settle within 12 months.

Non-current liability – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as another economic flow.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Sustainability Victoria recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(iv) *Superannuation*

Sustainability Victoria does not recognise any defined benefit liability in respect of defined benefit superannuation plans because Sustainability Victoria has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

Sustainability Victoria makes regular contributions to the Emergency Services and State Super Fund (defined benefit fund) in accordance with the respective rules specified under the government's Revised and New Schemes. Superannuation contributions range from 9.4%–17.3% in respect of five (5) employees who were members of the Revised/New Schemes during the reporting period. Employer contributions at 9% of base salary are made for all other employees to various nominated accumulation funds.

Contributions to the defined benefit and accumulation funds are expensed when incurred and reported in the Operating Statement, as follows:

	2009 \$	2008 \$
Emergency Services and State Super Fund	48,969	46,697
VicSuper	548,250	397,338
Colonial First State Super Fund	35,535	34,175
Vision Super	35,126	55,301
Australian Super	28,019	25,401
Various other accumulation funds	234,754	285,863
Total	930,653	844,775

Superannuation contributions outstanding at 30 June 2009 were \$Nil (2008 \$20,151).

There are no loans by the superannuation funds to Sustainability Victoria.

1.13 Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

1.14 New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. Sustainability Victoria have assessed that these changes have not affected the entity's reporting requirements for the reporting period ending 30 June 2009 or subsequent periods.

As a result of a state wide policy to improve consistency in public sector reporting, Sustainability Victoria has revised the presentation of its complete set of financial statements to align with the AASB 1049 presentation format, used in the Financial Report for the State and the general government sector. In addition, Sustainability Victoria has also early adopted the September 2007 version of AASB 101.

2 Financial Risk Management Objectives and Policies

The Sustainability Victoria Board (Responsible Body) has ultimate responsibility for ensuring that, in achieving business objectives, Sustainability Victoria manages risks appropriately. The Risk Management Framework has been developed to ensure best practice in organisational risk management and alignment to the principles of the Risk Management Standard AS/NZS 4360:2004 and the Victorian Government Risk Management Framework.

Sustainability Victoria does not have exposure to any loans and/or interest bearing liabilities except for finance leases disclosed in Notes 14 and 19.

Financial assets and financial liabilities are disclosed in Note 19 – Financial Instruments, and are valued at amortised cost (including transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability in line with FRD 114A Financial Instruments – General Government Entities and Public Non Financial Corporations (June 2009)).

2.1 Market Risk (Interest Rate Risk)

Sustainability Victoria's exposure to market risk is solely through interest rate risk. There is no exposure to foreign exchange risk or other price risks.

30 June 2009	Carrying Amount \$	Interest Rate Risk			
		-0.5%		+0.5%	
		Result \$	Equity \$	Result \$	Equity \$
Financial Assets					
Cash and Cash Equivalents	4,138,342	(20,692)	(20,692)	20,692	20,692
30 June 2008					
Financial Assets					
Cash and Cash Equivalents	17,626,591	(88,133)	(88,133)	88,133	88,133

2.2 Liquidity Risk

Liquidity risk arises when Sustainability Victoria is unable to meet its financial obligations as they fall due. Sustainability Victoria operates under the government fair payments policy of settling financial obligations within 30 days. Ongoing thirteen months cash flow forecasts are prepared to manage risk, through monitoring future cash flow requirements to ensure adequate holding of high quality liquid assets.

Sustainability Victoria exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available cash deposits at call and/or maturing short-term deposits.

Maturity analysis of financial liabilities

2009	Carrying Amount \$	Nominal Amount \$	Maturity Dates			
			Less than 1 month \$	1–3 months \$	3 months – 1 year \$	1–5 years \$
Payables						
Amounts payable to other government agencies	1,726,382	1,726,382	1,726,382	0	0	0
Other payables	5,272,560	5,272,560	5,272,560	0	0	0
Interest bearing liabilities						
Finance Lease Liabilities	117,083	125,299	3,545	7,089	78,662	36,003
Total	7,116,025	7,124,241	7,002,487	7,089	78,662	36,003
2008						
Payables						
Amounts payable to other government agencies	209,482	209,482	209,482	0	0	0
Other payables	2,879,680	2,879,680	2,879,680	0	0	0
Interest bearing liabilities						
Finance Lease Liabilities	164,212	182,455	20,183	6,722	30,252	125,298
Total	3,253,374	3,271,617	3,109,345	6,722	30,252	125,298

2.3 Credit Risk

Credit risk arises from the financial assets of Sustainability Victoria, which comprise cash and cash equivalents, trade and other receivables.

Credit risk associated with Sustainability Victoria financial assets is minimal because the main debtors are Victorian government entities, and no credit facilities are provided to non-government clients.

2.4 Fair Valuation

Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at cost which approximates their fair value.

	2009		2008	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial Assets				
Cash Assets	4,138,342	4,138,342	17,626,591	17,626,591
Receivables*	28,921,351	28,921,351	11,614,517	11,614,517
Total Financial Assets	33,059,693	33,059,693	29,241,108	29,241,108
Financial Liabilities				
Payables**	6,998,942	6,998,942	3,089,162	3,089,162
Finance Leases	117,083	117,083	164,212	164,212
Total Financial Liabilities	7,116,025	7,116,025	3,253,374	3,253,374

* The receivables balance excludes GST receivable.

** The payables balance excludes statutory charges.

All receivables are not passed due or impaired, with the exception of \$260,558 owing from the Commonwealth Department of the Environment, Water, Heritage and the Arts, which is passed due, but not impaired.

3 (a) Income from Transactions

Income/revenue by source	2009 \$	2008 \$
Landfill Levy	22,012,889	23,583,974
Government Grants		
State Government departments and agencies:		
Annual Appropriation	6,902,550	6,878,950
Environmental Sustainability Action Statement		
– Department of Sustainability and Environment	2,186,000	2,055,000
– Sustainability Fund	3,916,000	4,100,000
Expenditure Review Committee Initiatives Funding	38,365,000	7,350,000
Total Government Grants	51,369,550	20,383,950
Other Income from Government		
Australian Government – Renewable Remote Power Generation Program	138,683	103,687
E2WG Central Fund – National Framework for Energy Efficiency Program	229,929	532,938
Sustainability Fund – Administration Fee	753,387	504,686
Victorian Property Fund	250,000	–
ResourceSmart Victorian Government	95,165	–
ResourceSmart Schools	75,000	–
Non-Metro Regional Waste Gap Funding	210,000	–
Review of Regional Waste Management Groups	230,000	–
Greenlight Report	160,000	–
Australian Government – Photovoltaic Rebate Program	–	33,546
Total income from Government	2,142,164	1,174,857
Interest	1,202,868	1,170,234
Other income		
FirstRate Accreditation (inc. Software)	344,437	394,093
Program contributions	1,426,832	1,727,149
Total other income	1,771,269	2,121,242
Total Income from transactions	78,498,740	48,434,257

3 (b) Conditional Government Grants

Grants relating to Victorian Government Sustainability Initiatives recognised as revenue that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2009 \$	2008 \$
Total Conditional Grants unspent at 30 June	8,040,289	8,616,583

4 (a) Program Expenses

	2009 \$	2008 \$
Sustainable Environs	3,611,605	3,071,074
Sustainable Living [#]	41,214,120	9,255,611
Sustainable Production	12,317,705	12,516,114
Strategic Opportunities & Finance	469,806	—
Communications & Marketing	2,655,507	2,404,124
Total Program Expenses	60,268,743	27,246,923

[#] The 2008–09 figure includes \$31.6m of Regional Solar Hot Water Rebate (new program) expenditure

4 (b) Employee Benefits

	2009 \$	2008 \$
Salaries, wages & allowances	10,829,584	9,586,899
Employer Superannuation	930,653	844,775
On-Costs	955,155	631,473
Total Employee Benefits	12,715,392	11,063,147

4 (c) Net Loss on Disposal of Assets

	2009 \$	2008 \$
Property, Plant & Equipment	3,906	721
Total Net Losses	3,906	721

5 Cash and Cash Equivalents

	2009 \$	2008 \$
Short Term Deposits	3,920,377	17,094,823
Cash at Bank	216,265	530,068
Cash on Hand	1,700	1,700
Total	4,138,342	17,626,591

6 Receivables

	Note	2009 \$	2008 \$
Current			
Accrued Landfill Levy		9,844,587	10,538,916
Trade Debtors		18,530,415	616,319
GST Receivable		1,004,120	502,323
Accrued Interest		36,893	137,855
DEWHA – Net Trust funds receivable	21	509,456	
Total Current		29,925,471	11,795,413
Non-current			
Accrued Landfill Levy		–	321,427
Total Non-current		–	321,427
Total		29,925,471	12,116,840

7 Property, Plant & Equipment

	2009 \$	2008 \$
Office Furniture & Equipment		
At Fair Value	423,072	448,873
Less: Accumulated Depreciation	(272,127)	(301,666)
	150,945	147,207
Computer Equipment		
At Fair Value	862,867	819,443
Less: Accumulated Depreciation	(565,469)	(505,433)
	297,398	314,010
Motor Vehicles – Owned		
At Fair Value	35,274	35,274
Less: Accumulated Depreciation	(19,239)	(13,947)
	16,035	21,327
Motor Vehicles – Leased		
At Fair Value	173,262	209,352
Less: Accumulated Depreciation	(58,562)	(47,420)
	114,700	161,932
Summary		
At Fair Value	1,494,475	1,512,942
Less: Accumulated Depreciation	(915,397)	(868,466)
	579,078	644,476

Reconciliations

	Office Furniture & Equipment \$	Computer Equipment \$	Motor Vehicles \$	Total \$
Carrying Amount 2008				
Opening Balance	234,520	390,403	142,051	766,974
Additions	7,555	128,405	173,262	309,222
Depreciation	(94,649)	(203,617)	(42,346)	(340,612)
Disposals	(219)	(1,181)	(89,708)	(91,108)
Closing Balance	147,207	314,010	183,259	644,476
Carrying Amount 2009				
Opening Balance	147,207	314,010	183,259	644,476
Additions	55,078	189,910	–	244,988
Depreciation	(51,340)	(201,609)	(36,723)	(289,672)
Disposals	–	(4,913)	(15,801)	(20,714)
Closing Balance	150,945	297,398	130,735	579,078

8 Intangibles

Intangibles are valued at cost and reviewed each period for impairment.

	2009 \$	2008 \$
Renewable Energy Certificates		
Opening Balance as at 1 July	2,551,068	2,551,068
Disposals	(260,265)	0
Closing Balance as at 30 June	2,290,803	2,551,068

9 Payables

	2009 \$	2008 \$
Current		
Trade Creditors	1,292,684	438,106
Accrued Expenses	5,734,471	2,667,556
Total	7,027,155	3,105,662

10 Provisions

	2009 \$	2008 \$
Current		
Annual Leave and Unconditional Long Service Leave entitlements, representing 7 years of continuous services:		
Short-term employee benefits that fall due within 12 months after the end of the period, measured at nominal value:		
Annual Leave	808,225	673,826
Long Service Leave	492,677	346,920
Long-term employee benefits that do not fall due within 12 months after the end of the period, measured at present value:		
Long Service Leave	353,912	367,572
Total	1,654,814	1,388,318
Non-Current		
Conditional Long Service Leave	277,945	340,240
Total	277,945	340,240
Total Provisions	1,932,759	1,728,558

11 Reconciliation of Net Cash Inflow/(Outflow) from Operating Activities to Net (Deficit)/Surplus

	Note	2009 \$	2008 \$
Net surplus/(deficit) for the year		(194,635)	4,637,538
Depreciation		289,672	340,612
Write-down of assets		15,800	–
Loss on disposal of assets	4 (c)	3,906	721
Gain on sale of intangible assets		(211,235)	–
(Decrease)/Increase in employee entitlements		204,201	378,436
(Increase)/Decrease in receivables		(17,462,438)	(2,081,643)
(Increase)/Decrease in prepayments		110,789	(250,000)
Increase/(Decrease) in payables		3,575,300	290,658
Increase/(Decrease) in finance lease liability		(47,129)	86,485
Net cash Inflow/(Outflow) from Operating Activities		(13,715,769)	3,402,807

12 Movements in Equity

	2009 \$	2008 \$
(a) Contributed Capital	26,048,806	26,048,806
(b) Accumulated Surplus/(Deficit) at the beginning of the financial year	2,141,737	(2,495,801)
Surplus/(Deficit) for the year	(194,635)	4,637,538
Accumulated Surplus at the End of the Financial Year	1,947,102	2,141,737

13 Operating Lease Commitments

Lease payments for operating leases for office accommodation, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The following commitments have been contracted for by Sustainability Victoria:

	2009 \$	2008 \$
(i) not later than one year	763,581	734,212
(ii) later than one year but not later than five years	3,372,219	3,242,517
(iii) later than five years	7,527,557	8,428,064
Total	11,663,357	12,404,793

14 Finance Lease Commitments

A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The following commitments have been contracted for by Sustainability Victoria:

	2009 \$	2008 \$
(i) not later than one year	89,296	57,157
(ii) later than one year but not later than five years	36,003	125,298
Minimum lease payment	125,299	182,455
Less: Future interest charge	8,216	18,243
Total	117,083	164,212
Represented by:		
Current Liability	81,622	47,040
Non-Current Liability	35,461	117,172
Total	117,083	164,212

15 Commitments for Program Expenditure

Financial program commitments entered into and approved by Sustainability Victoria as at the reporting date, not included in the Balance Sheet and to be carried forward into the 2009–10 financial year and beyond, are as follows:

	2009 \$	2008 \$
(i) not later than one year	13,855,353	8,381,989
(ii) later than one year but not later than five years	9,522,510	14,074,380
Total Program Commitments	23,377,863	22,456,369

16 Responsible Person-Related Disclosures

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period:

Board Members 1 July 2008 to 30 June 2009	Meetings Held	Meetings Attended
Mike Waller, Chair	11	11
Cheryl Batagol, Deputy Chair	11	11
Mick Bourke	11	10
Tanya Ha	11	8
Carolyn Lloyd	11	10
Mike Hill	11	10
Tony Marxsen (01 Oct 08 - 30 Jun 09)	8	8
Nicholas Gruen (01 Oct 08 - 30 Jun 09)	8	7
Don Chambers (01 Jul 08 - 30 Sep 08)	3	3
Colin Sutherland (01 Jul 08 - 30 Sep 08)	3	2

Accountable Officer: Anita Roper, Chief Executive Officer

The remuneration of the Minister for Environment and Climate Change, Gavin Jennings MLC, is reported in the financial statements of the Department of Premier and Cabinet.

17 Remuneration**Remuneration of Responsible Persons**

Remuneration received or receivable by Responsible Officers and Accountable Officers under their relevant band was:

Income Band	Total Remuneration 2009	Base Remuneration 2009	Total Remuneration 2008	Base Remuneration 2008
0–\$9,999	9	9	8	8
\$10,000–\$19,999	0	0	2	2
\$20,000–\$29,999	1	1	0	0
\$180,000–\$189,999	0	0	0	1
\$200,000–\$209,999	0	0	0	1
\$210,000–\$219,999	0	0	1	0
\$260,000–\$269,999	1	1	0	0
\$300,000–\$309,999	0	0	1	0
Total Numbers	11	11	12	12
Total Amount	\$351,131	\$351,131	\$617,511	\$481,547

Remuneration of Executives

The number of Executive Officers, other than Ministers, Responsible Officers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year, including payments for long service leave entitlements and performance bonuses received in accordance with the terms of individual employment contracts.

Income Band	Total Remuneration 2009	Base Remuneration 2009	Total Remuneration 2008	Base Remuneration 2008
\$100,000–\$119,999	0	0	0	0
\$120,000–\$129,999	0	0	0	0
\$140,000–\$149,999	1	2	0	2
\$150,000–\$159,999	1	0	1	0
\$160,000–\$169,999	0	0	1	0
\$170,000–\$179,999	0	1	1	1
\$180,000–\$189,999	0	1	0	0
\$200,000–\$209,999	1	0	0	0
\$210,000–\$219,999	1	0	0	0
Total Numbers	4	4	3	3
Total Amount	\$712,360	\$655,316	\$494,309	\$466,031

18 Auditor's Remuneration

Amounts paid or payable to the Victorian Auditor-General's Office for the financial audit of the accounts:

	2009 \$	2008 \$
Audit fee	21,450	19,500

19 Financial Instruments**(a) Terms, Conditions and Accounting Policies**

Sustainability Victoria's accounting policies, including the terms and conditions of each class of financial asset and financial liability, recognised at balance date, are as follows:

Recognised Financial Instruments	Accounting Policies	Terms and Conditions
Financial Assets		
Cash Assets	Cash assets include cash on hand, cash at bank, deposits at call and short-term fixed deposits which are readily convertible to cash and are subject to insignificant risk of changes to money values. Surplus funds that are not required to meet the day to day obligations of Sustainability Victoria are placed with Treasury Corporation Victoria. Interest on the funds is brought to account and reported when earned.	Cash on hand, cash at bank and funds at call are used to meet the day to day obligations of Sustainability Victoria as required.
Receivables	Trade receivables are carried at normal amounts due. A provision is recognised when collection of the full amount is no longer probable.	Credit sales are 30 days terms.
Financial Liabilities		
Payables	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to Sustainability Victoria.	Trade liabilities are settled on Government 30 day terms.
Finance Leases	Finance lease liabilities are recognised for amounts to be paid in the future for motor vehicle lease contracts.	Finance leases are settled by monthly direct bank debit over the period of the lease.

(b) Interest Rate Risk including exposure

Sustainability Victoria's exposure to interest rate risk and aging analysis of financial assets and financial liabilities, recognised at balance date, are as follows:

	Floating interest rate \$	Fixed interest rate maturing less than 1 year \$	Fixed interest rate maturing 1–5 years \$	Non- interest bearing \$	Total carrying amount as per Balance Sheet \$	Weighted average effective interest rate %
As at 30 June 2009						
Financial Assets						
Cash Assets	636,642	3,500,000	–	1,700	4,138,342	3.08
Receivables	–	–	–	28,921,351	28,921,351	
Total Financial Assets	636,642	3,500,000	–	28,923,051	33,059,693	
Financial Liabilities						
Payables	–	–	–	6,998,942	6,998,942	
Finance Leases	–	81,622	35,461	–	117,083	7.5
Total Financial Liabilities	–	81,622	35,461	6,998,942	7,116,025	
As at 30 June 2008						
Financial Assets						
Cash Assets	4,624,891	13,000,000	–	1,700	17,626,591	7.49
Receivables	–	–	–	11,614,517	11,614,517	–
Total Financial Assets	4,624,891	13,000,000	–	11,616,217	29,241,108	
Financial Liabilities						
Payables	–	–	–	3,089,162	3,089,162	–
Finance Leases	–	47,040	117,172	–	164,212	7.33
Total Financial Liabilities	–	47,040	117,172	3,089,162	3,253,374	

(c) Amortised Cost

The aggregate amortised cost of financial assets and financial liabilities, recognised at balance date, are as follows:

	Total carrying amount as per Balance Sheet \$	Amortised cost \$
As at 30 June 2009		
Financial Assets		
Cash Assets	4,138,342	4,138,342
Receivables	28,921,351	28,921,351
Total Financial Assets	33,059,693	33,059,693
Financial Liabilities		
Payables	6,998,942	6,998,942
Finance Leases	117,083	117,083
Total Financial Liabilities	7,116,025	7,116,025
As at 30 June 2008		
Financial Assets		
Cash Assets	17,626,591	17,626,591
Receivables	11,614,517	11,614,517
Total Financial Assets	29,241,108	29,241,108
Financial Liabilities		
Payables	3,089,162	3,089,162
Finance Leases	164,212	164,212
Total Financial Liabilities	3,253,374	3,253,374

20 Contingent Assets/Liabilities

Sustainability Victoria had no contingent assets or liabilities as at the reporting date.

21 Department of the Environment, Water, Heritage and the Arts – Renewable Remote Power Generation (RRPGP) and Photovoltaic (PV) funds held in trust for rebate programs

Sustainability Victoria acts as trustee/administrator on behalf of the Commonwealth for the above mentioned rebate programs. Rebates paid during the financial year exceeded the available funds of the trust, resulting in a receivable of \$509,456 owing to Sustainability Victoria from the Commonwealth at 30 June 2009. This amount is included in the Balance Sheet under 'Receivables' (Note 6). Receipts and payments for the Commonwealth rebate programs are excluded from the Comprehensive Operating Statement.

	RRPGP \$	PV \$	Total \$
Opening Balance 1 July 2008	(275,301)	(866,275)	(1,141,576)
Add: Receipts	(2,976,337)	–	(2,976,337)
Less: Payments for rebates	4,627,369	–	4,627,369
Closing Balance 30 June 2009*	1,375,731	(866,275)	509,456

* Net receivable owing from Department of Environment Water, Heritage and the Arts (Note 6).

22 Events Occurring After Reporting Date

No significant events have occurred since 30 June 2009 which will have a material impact on the information disclosed in the financial statements.

23 Related Party Transactions

The nature and terms and conditions of the project grants, consulting services and sponsorships between Sustainability Victoria and the Related Parties (\$1,796,600) (2008: \$625,600) were at arm's length and were the same as for all other grant recipients, consultants and sponsorship recipients. There were no other related party transactions during the course of the financial year.

Board Member	Entity	\$
Mike Hill	ECO-Buy	240,000
Mike Hill	Just Change Inc.	13,100
Mike Hill	Moreland Energy Foundation Limited	884,500
Carolyn Lloyd	VicUrban (Docklands Branch)	515,000
Mick Bourke	National Packaging Covenant Industry Association	144,000
Total		1,796,600

24 Glossary of Terms**Comprehensive result**

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Employee benefits expenses

Employee benefits expenses include all costs related to employment, including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

+++++

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets, less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

Includes short and long-term trade debt and accounts payable, grants and interest payable.

Receivables

Includes short and long-term trade credit and accounts receivable, grants, taxes and interest receivable.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Sustainability Victoria

Statement by Chairperson and Accountable Officer

We certify that the attached Financial Statements for Sustainability Victoria have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement and Statement of Changes in Equity, presents fairly the financial transactions during the year ended 30 June 2009 and the financial position of Sustainability Victoria as at 30 June 2009.

At the date of signing, we are not aware of any circumstances which would render any particulars in the Financial Statements to be misleading or inaccurate.



Mike Waller
Chairman
Sustainability Victoria

Melbourne
21/09/09



Anita Roper
Chief Executive Officer
Sustainability Victoria

Melbourne
21/09/09



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT**To the Members of the Board, Sustainability Victoria***The Financial Report*

The accompanying financial report for the year ended 30 June 2009 of Sustainability Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the statement by chairperson and accountable officer has been audited.

The Board Member's Responsibility for the Financial Report

The Board Members of Sustainability Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of Sustainability Victoria for the year ended 30 June 2009. The Board Members of Sustainability Victoria are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Sustainability Victoria website.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Sustainability Victoria as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
21 September 2009

for 
D D R Pearson
Auditor-General



Part 19

Legislative Compliance Index



The 2008–09 Annual Report of Sustainability Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the authorities' compliance with statutory disclosure requirements.

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FRD22B	Objectives, functions, powers and duties	6
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FRD22B	Organisational structure	13
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Appendix 1: Part 3 – Chairman's risk attestation

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Sustainability Victoria

Risk Attestation

I, Mike Waller certify that Sustainability Victoria has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Audit and Risk Committee verifies this assurance and that the risk profile of Sustainability Victoria has been critically reviewed within the last 12 months.

Mike Waller
Chairman
Sustainability Victoria

Melbourne
17 August 2009

Appendix 2:

Part 5 – Greenhouse gas abatement verification statement



Net Balance Management Group Pty Ltd
Level 4, 460 Bourke Street
Melbourne Victoria 3000 Australia

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E info@netbalance.com

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INDEPENDENT VERIFICATION STATEMENT

To the Board of Directors, the Executive, and Stakeholders of Sustainability Victoria:

Sustainability Victoria commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent verification of the greenhouse gas abatement claims presented within Sustainability Victoria's 2008-2009 Annual Report. Sustainability Victoria was responsible for the preparation of the Annual Report and this statement represents the verification provider's Independent opinion. Net Balance's responsibility in performing our verification activities is to the Board and Executive of Sustainability Victoria alone and in accordance with the terms of reference agreed with them. Other stakeholders should perform their own due diligence before taking any action as a result of this statement.

Verification Objectives

The primary objective of Net Balance's Independent verification was to review the supporting information and calculations supporting the greenhouse gas abatement claims presented within the 2008-2009 Annual Report.

The Scope and Methodology

The verification engagement was undertaken during August 2009 and the scope and methodology included:

- A review of Sustainability Victoria's 2008-2009 Annual Report.
- Sighting relevant supporting evidence to substantiate the greenhouse gas abatement claims made within the report.
- A series of interviews with key personnel responsible for collating and writing various parts of the report in order to substantiate the veracity of selected claims.

Our Opinion

Net Balance has independently verified the greenhouse gas abatement claims against the methodology presented in the Net Balance "Greenhouse Gas Project Accounting Review Report". Any errors identified during the verification process were corrected prior to the Annual Report being published. Net Balance is satisfied that the greenhouse gas abatement claims made within the 2008-2009 Annual Report are a fair and accurate representation of the organisation's performance during the period.

On behalf of the verification team

27 August 2009
Melbourne, Australia
Terence Jeyaretnam
Director, Net Balance & Lead CSAP (IRCA UK)



Appendix 3: Part 14 – Office-based environmental impacts

Environmental Aspect	Description	Unit of Measure	2008–09	2007–08	2006–07	2005–06
Energy ¹	Use per THC ²	Megajoules per THC	3,127	3,119	n/a	n/a
	Use per FTE ³	Megajoules per FTE	3,365	3,344	6,721	6,799
	Use per square metre of office space	Megajoules per m ³	231	242	432.7	370
	Total use ⁴	Megajoules	450,861	408,600	764,240	741,722
	Total associated GHG emissions	Tonnes of CO ₂ equivalent	0	0	0	0
	Total Green Power	%	100	100	100	100
Paper ⁵	Use per THC	Reams per THC	6.1	6.1	n/a	n/a
	Use per FTE	Reams per FTE	6.5	6.5	5.7	9.0
	Total use	Reams	873	793	651	980
Waste ⁶	Generated per THC	Kilograms per THC	53.7	45.3	n/a	n/a
	Generated per FTE	Kilograms per FTE	57.8	48.6	46.6	84
	Total recycled	Percentage	97	90	85	94

Environmental Aspect	Description	Unit of Measure	2008–09	2007–08	2006–07	2005–06
Water ⁷	Consumption per THC	Kilolitres per THC	0.93	0.98	n/a	n/a
	Consumption per FTE	Kilolitres per FTE	1.01	1.05	1.02	n/a
	Consumption per unit of Office Space	Kilolitres per m ²	0.07	0.08	n/a	n/a
	Total potable water consumption	Kilolitres	134.7	128.1	116	n/a
	Recycled water floor only ⁸	Kilolitres	609	1305	n/a	n/a
Transportation ⁹	Energy consumption per THC	Gigajoules per THC	1.3	1.46	n/a	n/a
	Energy consumption per FTE	Gigajoules per FTE	1.4	1.57	2.82	3.78
	Total energy consumption	Gigajoules	188	191.4	320.31	412
	Total associated GHG emissions	Kilograms of CO ₂ equivalent	12,547	13,840	22,229	32,000
	GHG emissions/ 1,000 km travelled	Kilograms of CO ₂ equivalent	104.3	124.6	118.7	154.7
	Travel associated with agency operations per THC	Kilometres per THC	868	848	n/a	n/a
	Travel associated with agency operations per FTE	Kilometres per FTE	933	909.3	1,647.3	1,895
	Total travel associated with agency operations	Kilometres	125,074	111,117	187,315	206,792
	Employees regularly using public transport, cycling or walking to and from work	Percentage	96	93	90.4	91.7

Environmental Aspect	Description	Unit of Measure	2008–09	2007–08	2006–07	2005–06
Greenhouse Gas Emissions ¹⁰	Total GHG emissions associated with energy use	Kilograms of CO ₂ equivalent	0	0	0	0
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ equivalent	12,547	13,840	24,728	n/a
	Total GHG emissions associated with air travel	Kilograms of CO ₂ equivalent	176,525	67,574	68,632	n/a
	Total GHG emissions associated with waste production	Kilograms of CO ₂ equivalent	246	429	816	n/a
	Total GHG emissions associated with offsets purchased	Kilograms of CO ₂ equivalent	398,456 ¹ (incl. 10% buffer)	313,000 (incl. 10% buffer)	402,009	n/a
	Total GHG emissions associated with scope of operational activities ¹²	Kilograms of CO ₂ equivalent	358,286	283,809	287,357 (excl. 10% buffer) 316,093 (incl. 10% buffer)	n/a

Notes:

- Includes electricity use directly in Sustainability Victoria's office-based activities.
- THC is Total Head Count as at 30 June 2009 which includes contractors employed at Sustainability Victoria as they work on-site using the same resources as employees on the payroll of Sustainability Victoria.
- FTE is Full Time Equivalent staff as at 30 June 2009 as per FRD24C reporting requirements.
- Increase in Total Energy Use is attributable to increased total FTEs, While remaining steady per FTE, there has been an actual decrease in energy per square metre of office space.
- One ream is equivalent to 500 sheets of A4 office paper. Overall increase while remaining steady against FTE. All paper figures rounded to the nearest tenth.
- Waste figures are based on averages of one-week-a-month measurement throughout 2008–09 within a 5% variability range. Increase is due to inclusion of secure paper bin weights supplied by service provider – not included in previous years and staff bringing in items to be recycled not handled in their own municipality.
- Figures do not include apportioned values for cooling tower, total recycled and recycled-water treatment top-up.
- Massive reduction in recycled water throughput after Sustainability Victoria monitoring pick up anomalies in monthly figures. Alerting building management resulted in new sensors installed throughout entire building in October 2008.
- Includes all passenger vehicles for Sustainability Victoria use: Fleet reduced from 8 to 6 from 2006–07 to 2007–08 and from 6 to 5 in 2008–09. Maintained the remaining 5 Toyota Prius in 2008–09.
- Reported GHG emissions for energy is base building apportioned only (including gas). Purchased office tenant light and power is 100% GreenPower. Also includes refrigerants, paper, Taxi and Public Transport as well as waste and air travel.
- Carbon management strategy under consideration by Executive Team.
- The operational aspects included in the scope of activities are: apportioned base building electricity and gas, office tenant light and power, kitchen and vehicle refrigerants, waste to landfill, air, public transport and taxi travel for work based activities, paper consumption and base building apportioned water consumption.

* Numbers from previous years may have changed due to rounding.

Appendix 4:

Part 14 – OH&S Policy

Sustainability Victoria's vision is Victorians demonstrating sustainable resource use to support a thriving community and economy.

Our purpose is that, as an agency of the Victorian Government, we are a catalyst for sustainable growth and development in Victoria. We bring together the knowledge and capabilities of people, organisations and communities to deliver integrated social, economic and environmental outcomes.

Success in our vision and purpose can only be achieved through our people, and their health and safety is therefore an important aspect of how to achieve success together.

Sustainability Victoria:

- + acknowledges that the health, safety and welfare of our employees and stakeholders is of prime importance and should not be impaired or prejudiced by our operations
- + recognises that the responsibilities for occupational health and safety (OH & S) lie with all our staff and that a personal commitment and the involvement of everyone is essential in establishing and maintaining healthy and safe working environments.

Sustainability Victoria will strive to provide working environments that are as far as practicable safe and without risks to health, by:

- + the risk management process and ensuring consistency with the nature of workplace activities and scale of health and safety risks
- + complying with relevant health and safety legislation and other requirements placed upon Sustainability Victoria or to which we subscribe
- + establishing measurable objectives and targets for health and safety to ensure continuous improvement aimed at elimination of work related illness and injury
- + provision of appropriate health and safety training to all employees
- + the consultation process to ensure all employees are included in the decision making processes impacting on workplace health and safety

- + the dissemination of health and safety information to all employees, contractors, labour hire employees and visitors to the workplace
- + effective implementation of the health and safety policy
- + policy provisions shall be implemented consistently in all areas of business activity and on all sites where business activities are undertaken.

Sustainability Victoria employees will at all times:

- + take reasonable care – of which they are capable – for their own health and safety and that of others who may be affected by their actions (or lack of actions) at work
- + co-operate with Sustainability Victoria's efforts to meet its responsibilities by following the systems and procedures of work necessary for safe and healthy operations and participating in all appropriate training
- + report to their manager, or OH&S representative the hazards, risks, incidents and OH&S concerns of which they are aware.

Sustainability Victoria recognises that these policy objectives can best be achieved through effective consultation, communication and co-operation between all employees, working together.

Appendix 5: Part 14 – Injuries & time lost 2008–09

	Incident Rate ⁷	Frequency Rate ⁸	Average Time Lost (Days) ⁹
Sustainability Victoria	0.008	4.2	1
National median¹⁰	.01	3.95	9.79
National median for public sector organisations	.01	6.47	10.82

7 Number of lost time injuries per 100 employees

8 Number of lost time injuries per million hours worked

9 Average time lost per occurrence

10 Source: Mercer's Human Resources Effectiveness Monitor, August 2008

Appendix 6: Part 14 – Workforce composition

Workforce data staffing trends	
2008	2009
127	140

	Ongoing Employees					Fixed term & Casual Employees
	Employees (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE		FTE
June 2009	111	99	12	107		27
June 2008	108	96	12	104		17
	2009			2008		
	Ongoing		Fixed term & Casual Employees	Ongoing		Fixed term & Casual Employees
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
Gender						
Male	48	47	12	48	48	2
Female	63	60	15	60	56	15
Total	111	107	27	108	104	17
Age						
Under 25	2	2	2	1	1	1
25-34	34	34	15	38	37	9
35-44	31	28	4	29	27	1
45-54	28	28	6	28	27	5
55-64	16	15	0	12	12	1
Over 64	0	0	0	0	0	0
Total	111	107	27	108	104	17
Classification						
VPS 1	0	0	0	0	0	0
VPS 2	2	2	1	2	2	0
VPS 3	11	10	8	15	15	3
VPS 4	30	29	9	29	27	7
VPS 5	37	35	7	36	35	7
VPS 6	25	25	2	22	21	0
STS	0	0	0	0	0	0
Executive	6	6	0	4	4	0
Total	111	107	27	108	104	17

Note: As Sustainability Victoria was established in October 2006, trend data does not exist for the period 01 June 2006 – 30 July 2007.

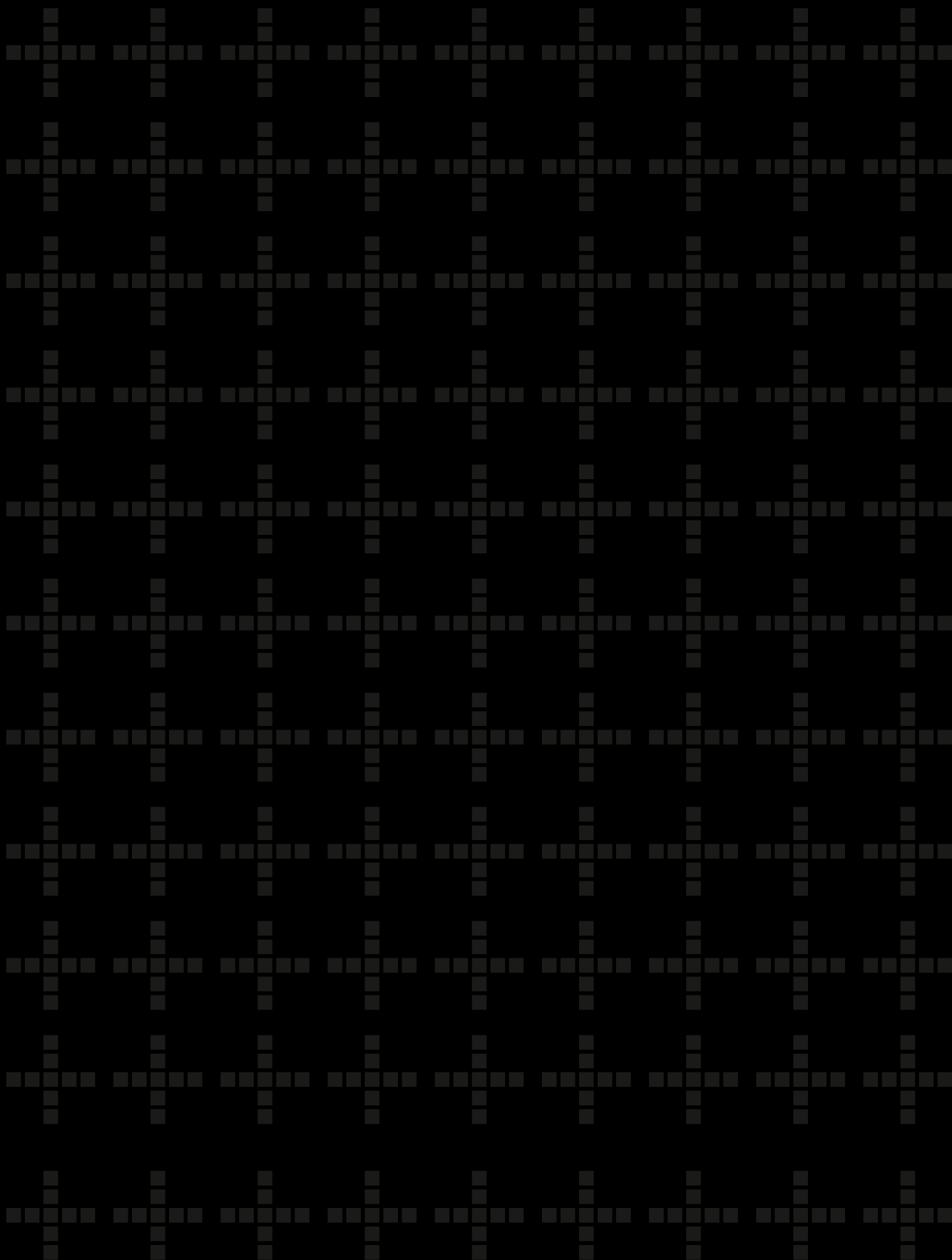
Appendix 7:

Part 14 – Average FTE salaries by VPS classification & gender

		2008–09		2007–08	
Class	Gender	Average Salary \$	No. of Staff	Average Salary \$	No. of Staff
VPS 2	Female	44,702	3	44,657	2
	Male	0	0	0	0
VPS 3	Female	54,177	13	52,887	13
	Male	55,549	7	55,844	6
VPS 4	Female	65,484	27	64,188	24
	Male	67,843	13	66,218	12
VPS 5	Female	80,024	19	76,312	26
	Male	79,782	25	78,995	18
VPS 6	Female	102,320	14	99,209	9
	Male	106,616	13	99,551	13

Acronyms used in this report

AuSSI	Australian Sustainable Schools Initiative	ICT	Information Communications and Technology
COAG	Council of Australian Government	KPMG	KPMG (Australia)
CBD	Central Business District	MAV	Municipal Association of Victoria
CEO	Chief Executive Officer	MEPS	Minimum Energy Performance Standards
CERES	Centre for Education and Research in Environment	MWMG	Metropolitan Waste Management Group
CSIRO	Commonwealth Scientific and Industrial Research Organisation	NAB	National Australia Bank
DHS	Department of Human Services	OH&S	Occupational Health and Safety
DIIRD	Department of Innovation, Industry and Regional Development	PACIA	Plastics and Chemicals Industries Association
DPCD	Department of Planning and Community Development	PPR	Public Place Recycling
DPI	Department of Primary Industries	RESF	Renewable Energy Support Fund
DSE	Department of Sustainability and Environment	SECV	State Electricity Commission Victoria
DTF	Department of Treasury and Finance	SME	Small to Medium Enterprise
DVD	Digital Versatile Disk	SUT	Swinburne University of Technology
EPA	Environment Protection Authority (Victoria)	TAC	Transport Accident Commission
ESAS	Environmental Sustainability Action Statement	TAFE	Tertiary and Further Education
GHG	Greenhouse Gas	TZW	Towards Zero Waste
HR	Human Resources	UK	United Kingdom
HVAC	Heating, Ventilation and Air Conditioning	VECCI	Victorian Employers' Chamber of Commerce and Industry
ICI	ICI Australia Limited	VEETS	Victorian Energy Efficiency Target Scheme
		VLGA	Victorian Local Governance Association
		ZEN	Zero Emission Neighbourhoods



For further information visit
sustainability.vic.gov.au

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