

2010–11 Annual Report



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Part 1

Foreword



Dr Gillian Sparkes
Chair



Anita Roper
CEO

2010–11 marked the start of an important transition for Sustainability Victoria (SV). In November 2010 we welcomed a new Minister for Environment and Climate Change, the Hon Ryan Smith.

In May 2011, the Government announced funding for its election commitments to a more sustainable Victoria. We started to implement these commitments, including energy-efficiency rebates to help low-income householders cut their power bills; a voluntary accreditation program for small to medium sized businesses that will support the production and provision of sustainable goods and services; and an expansion of the ResourceSmart Australian Sustainable Schools Initiative (AuSSI Vic) with grants to improve energy efficiency in schools.

In June, the Victorian Auditor General delivered a report into Municipal Solid Waste Management and the State's implementation of the *Towards Zero Waste* (TWZ) strategy. The report findings and recommendations provided an important platform to examine and improve the way we operate. Supported by our Minister, we accepted the findings and commenced a program of work to improve our delivery of Victoria's waste strategy, TZW, and the associated resource efficiency outcomes for the state.

In May 2011, the Minister announced a strategic review of SV. The review considers the views of a wide range of our stakeholders as well as other inputs to identify what is working and what we can do better. The review will ensure our programs are aligned to government priorities and effectively deliver real value for money to Victorian families and businesses. Key focus areas for the review are the waste management needs of Victoria, improved joint action with partner agencies in the Environment and Climate Change portfolio (including the Department of Sustainability and Environment, Environment Protection Authority and Metropolitan and Regional Waste Management Groups) and a more effective whole-of-government approach to sustainability investments.

Following the completion of the review in September 2011, we will develop a new five year strategic plan to ensure we effectively implement government policy and deliver value for money programs. The strategy will build on current efforts to foster an evidence-based culture, evaluate our programs and measure the associated environmental, economic and social outcomes for Victorians.

Throughout 2010–11, we worked to meet commitments in our business plan. We provided information, advice and incentives to help Victorians live, work and play more sustainably. We delivered these commitments in partnership with our key stakeholder groups: businesses, communities, households and other government organisations. Key achievements included:

- + Our Detox Your Home program provided Victorians with free, safe household chemical disposal and collected more than 963 tonnes of chemicals.
- + Commencement of our new TV recycling scheme to help regional Victoria move from analogue to digital TV. We expect the scheme to divert 530 tonnes of waste from landfill, including 90 tonnes of lead.
- + Our resource recovery project for small to medium enterprises (SMEs) collected an additional 19,033 tonnes of recyclable packaging material through grants for the purchase of new bins and trucks.
- + Keep Australia Beautiful Victoria Awards recognised the pride and commitment of local communities to sustainability and received 24% more entries this year.
- + Our City Switch program engaged 90 commercial building tenants in the Cities of Melbourne, Port Phillip and Yarra, abating 1,742 tonnes of greenhouse gas (GHG) and saving 496 megawatt hours (MWh) of energy.
- + We partnered with the Victorian Employers' Chamber of Commerce and Industry (VECCI) to deliver the final year of the Carbon Down program. Over three years, 38,000 Carbon Down activities delivered abatement of more than 70,000 tonnes of GHG emissions by SMEs, including over 40,000 tonnes in 2010–11.

- + We distributed 2,578 solar hot water rebates to Victorian households to abate approximately 3,488 tonnes of GHG emissions.
- + We provided free energy and water retrofits to 1,961 low-income households to help them save an average of approximately \$140 off their utility bills each year.
- + Our ResourceSmart schools program worked with over 670 Victorian primary and secondary schools to improve biodiversity, energy, waste and water practices.

We also continued to administer the Sustainability Fund with secretariat services on behalf of the Minister for Environment and Climate Change and the Treasurer.

During 2010–11 we farewelled Chair Mike Waller and long-standing board member Mick Bourke. We thank them for their outstanding contribution to SV over many years.

We are pleased to present our 2010–11 Annual Report.



Dr Gillian Sparkes
Chair



Anita Roper
CEO



Part 2

About Sustainability Victoria



Manner of establishment and responsible minister

Sustainability Victoria (SV) is a Victorian Government Statutory Authority established under the *Sustainability Victoria Act 2005*. The Hon Gavin Jennings, MP, Minister for the Environment and Climate Change, was the responsible minister until November 2010, when the Hon Ryan Smith, MP, Minister for Environment and Climate Change, became the responsible minister.

Objectives, functions and powers

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

The functions of SV are contained in the *Sustainability Victoria Act 2005*, Part 2(7).

The powers of SV are contained in the *Sustainability Victoria Act 2005*, Part 2(8).

Our role

Sustainability Victoria implements Victorian Government policy by working with business, government and the community to reduce carbon pollution and facilitate the smarter use of energy, materials and water.

Complementing the work of other government and non-government agencies, we address areas of market gaps or failure and encourage innovation. We are helping Victorians to change their behaviour by providing evidence, tools and incentives for a more sustainable future.

Our vision

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

Our purpose

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.

Our approach

Our challenges must be addressed by the community as a whole. We work closely with stakeholders in key areas for the Victorian economy, community and environment, particularly where market gaps or failures are evident. Our partnerships are fundamental to successful social, economic and environmental outcomes for a sustainable Victoria.



Review of our strategic direction

The government is committed to improving Victoria's liveability and sustainability.

It is important that our operations follow the government's broader economic and reform agenda and that our activities complement the policies and programs of other government bodies specifically in the environmental portfolio.

In May 2011, the Minister for Environment and Climate Change, the Hon Ryan Smith, MP, therefore requested a review of SV, which will:

- + consider the current operations and activities undertaken by SV
- + consider the current budget and expenditure of SV and the Sustainability Fund administered by SV
- + consider the programs administered by the Sustainability Fund, their alignment to SV's other activities and current arrangements between the Fund (including the Sustainability Fund Advisory Panel) and SV
- + consider the outputs and outcomes of programs and their impact on environmental sustainability and the broader Victorian economy
- + consider the alignment and any duplication or inefficiency in the programs administered by SV, the Sustainability Fund and those offered by environmental portfolio agencies, including the Department of Sustainability and Environment, Environment Protection Authority Victoria and metropolitan and regional Waste Management Groups
- + seek the views of government, stakeholders and community on SV's performance, delivery of programs and governance
- + provide SV staff with an opportunity to input, to ensure recommendations are relevant and capable of being implemented.

- + make recommendations which SV should take into account in preparing a new Strategic Plan for the organisation, business plans and any implications for resourcing.

The Review will be completed by September 2011 and provide a foundation for a new five-year strategy for the organisation in late 2011.

During 2011, there were two audits by the Victorian Auditor General's Office (VAGO) which covered areas of SV's operations.

The first was an examination of whether the development of renewable energy had been facilitated effectively by the Victorian Government. The audit found that, whilst total renewable energy generation had increased, efforts to increase the proportion of electricity generated from renewable sources had proven ineffective. Neither the setting of renewable energy targets, nor the establishment of investment incentives, had delivered expected results. Whilst critical of the broader planning and policy development, the Auditor General's report found that the projects and funding managed by SV were soundly based and well managed¹.

The second audit examined whether Victoria's waste management and resource recovery actions have been effective and efficient in achieving the *Towards Zero Waste* objectives and targets for municipal solid waste. The audit was critical of the State's performance and implementation of the strategy, and concluded that SV had not effectively managed municipal solid waste and implementing the TZW strategy.

Sustainability Victoria accepted all of VAGO's recommendations and commenced implementation of a number of actions to address the identified shortcomings. The audit findings also provide valuable, independent input into the review.

¹ Victorian Auditor General's Report, Facilitating Renewable Energy Development, April 2011, p ix.



Part 3

Our Board

The Sustainability Victoria (SV) Board comprises nine non-executive members appointed in accordance with the *Sustainability Victoria Act 2005*. The Minister for Environment and Climate Change is responsible for all Board appointments, ensuring that 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 nominate one member to the board.

Role of the Board

Responsible for Sustainability Victoria's good governance and effective leadership, the Board:

- + sets our strategic direction, objectives and performance targets
- + selects the Chief Executive Officer
- + monitors operational and financial performance
- + oversees compliance with laws, regulations and other obligations
- + sets and monitors internal controls to manage risks
- + ensures good conduct and stakeholder relationships
- + manages and monitors Board and committee conduct and performance.

Board members

Dr Gillian Sparkes, Chair

(from 1 May 2011)

Gillian is a highly experienced senior manager in the private and public sectors, enjoying 30 years in the manufacturing, waste management and water industries. She has held senior management roles with BHP, Brambles, EPA Victoria and a Monash University subsidiary. Before becoming the Department of Sustainability and Environment's Deputy Secretary Corporate and Business Services in May 2010, Gillian was the establishing Centre Director for the Australian Government (Department of Innovation, Industry, Science and Research), Clean Energy Innovation Centre.

An experienced project and change manager with technical specialisation in environmental sustainability, Gillian is versed in developing and delivering programs to help implement policies in this area at state and national levels. Ministerial appointments include membership of the Reference Group for the Commissioner for Environmental Sustainability in Victoria 2006–2010, the Independent Assessment Panel for the Smart Water Fund 2007–2010, director of the South Gippsland Water Corporation and chair of the Board Environment Committee between 2004 and 2010. Gillian chaired the Sustainable Energy Use – Water Industry Working Group to develop a framework for greenhouse gas reductions with the Victorian Water Industry (2006), and was chair of the Tullamarine Hazardous Waste Landfill Community Consultative Committee from 2005 to 2008. She has a PhD in Applied Science (chemistry), an MBA, and is a graduate of the Australian Institute of Company Directors.

Mike Hill, Deputy Chair

(from 1 May 2011)

During Mike's 30 years with local government he has served as a councillor and mayor, and was CEO of the Victorian Local Governance Association for nine years. He designed, chaired and is currently director of the Victorian Local Sustainability Accord, which aligns local



and state government sustainability and climate change action. Mike chairs the Natural Resources Conservation League and ECO-Buy Limited, and is on the RMIT Centre for Design advisory committee. He is also Co-Director of WestWyck, which is developing an eco-village on a former school site in Brunswick West. He is a former Chair of the Moreland Energy Foundation.

Cheryl Batagol, Deputy Chair

(1 July 2010 – 30 April 2011)

Cheryl is Chair of Victoria's Environment Protection Authority (EPA) and a member of the Victorian Catchment Management Council. She has been Chair of Melbourne Water and a board member of City West Water and Southern Rural Water. She has 30 years experience in the waste management industry, including commercial, industrial and trade waste management and treatment, and was Chair of EcoRecycle Victoria from 2003 to 2005.

Dr Tony Marxsen

Tony has extensive senior executive experience in the energy sector and other industries, after a 30-year career in the State Electricity Commission, accountable for the development and security of Victoria's power grid and incorporating it into the national grid. He was also senior Chief Information Officer at the SECV, ICI Australia and TAC. For many years, Tony was a Principal with The Nous Group, advising major corporations and governments. He now operates his own consulting business, and is a Director of the Australian Energy Markets Operator.

Carolyn Lloyd

Carolyn is highly experienced in the building and construction industry, particularly in promoting and supporting sustainable urban communities. She is currently Deputy Chair of VicUrban and a member of the Building Practitioners' Board. She was CEO of the Housing Industry Association and a board member of the Sustainable Energy Authority of Victoria, EcoRecycle Victoria, the Victorian Building Industry Training Board

and the Building Industry Advisory Council. She has also led several international tours for builders and developers specialising in environmentally sound higher-density urban communities.

Dr Nicholas Gruen

Working at senior levels in economics and public policy in the public and private sectors, Nicholas was economic adviser to two cabinet ministers and appointed to the Productivity Commission (then Industry Commission) in 1993. From 1997 he was Director of the Business Council's New Directions Program. Leading Lateral Economics since 2000, he has consulted widely to public and private sector clients, specialising recently in government innovation. In 2009, he chaired the Federal Government's widely acclaimed Government 2.0 Taskforce.

Tanya Ha

An award-winning science journalist, author and environmental campaigner, Tanya promotes sustainability to a broad audience through television and print media in particular. She has written several books on the subject, including *Green Stuff for Kids* and the best-selling *Greenology*. She has a strong background in environmentally oriented not-for-profits, and established Planet Ark Environmental Foundation's Melbourne office. Tanya is a former board member of Keep Australia Beautiful (National Association).

Suzanne Evans

Suzanne is a partner in a horticultural enterprise in central Victoria, and is on the boards of North East Water Corporation and Austin Health. She is also on the Minister for Health's list of panel members for hearing complaints against health practitioners. A past member of the Osteopaths Registration Board of Victoria and the Medical Practitioners Board of Victoria's Customer Consultative Committee, she has executive experience in the water industry and state treasury. Suzanne graduated in economics and accounting.

Ross McCann

(from 1 May 2011)

Former CEO of Qenos, Ross is now its Executive Chairman. Previously, he was a member of the Executive Committee of WMC Resources, responsible for major project management within Australia and offshore. He began his career with ICI Australia, and for 25 years filled management roles in operations, business development, project management and leading business units. Ross is president of the Plastics and Chemicals Industry Association and was director of the Australian Stem Cell Centre. In 2010 he was inducted into the Victorian Manufacturing Hall of Fame and also received the 2010 Chemeca Award. Ross holds a Chemical Engineering (Hons) degree from the University of New South Wales.

Departing Board members

Mike Waller, Chair

(1 July 2010 – 30 April 2011)

Mike is a Director and co-founder of Heuris Partners Ltd, a consultancy for the minerals and energy sectors. Before this, he was chief economist and head of environment and community relations policy with BHP Billiton, and has held senior positions in UK Treasury and various Australian government departments. Mike holds an honours degree in economics from the University of Reading and has had senior executive training at the London Business School.

Mick Bourke

(1 July 2010 – 30 April 2011)

Mick became CEO of the Country Fire Authority in September 2009, having previously been chairman and CEO of the EPA. He has headed many organisations including City West Water Ltd and Coliban Water and has senior management experience in organisations delivering programs in regional Victoria and metropolitan Melbourne. A former board member of the Energy and Water Ombudsman of Victoria and Melbourne's Royal Botanic Gardens, he holds various positions related to the environment and sustainability.

Operation of the Board

The Board is governed by its Corporate Governance Charter and Framework. Table 1 shows Board members' meeting attendance.

Table 1: Board meeting attendance

Board member	Meetings held	Meetings attended
Mike Waller, Former Chair	8	6
Cheryl Batagol, Former Deputy Chair	8 ²	7
Mick Bourke	8	6
Dr Tony Marxsen	11	11
Carolyn Lloyd	11	9
Dr Nicholas Gruen	11	11
Tanya Ha	11	8
Mike Hill, Deputy Chair from May 2011	11	10
Suzanne Evans	11	10
Dr Gillian Sparkes, Chair from May 2011	3	3
Ross McCann	3	3

² Ms Batagol temporarily relinquished her role as a Board Member for the period of the SV Review.

Board committees

Three committees help the Board perform its corporate governance responsibilities:

- Audit and Risk
- Human Resources
- Performance Monitoring

Each committee acts under annually reviewed terms of reference. Committee meeting minutes are tabled at the subsequent Board meeting.

Audit and Risk Committee

The Audit and Risk Committee's main responsibility is ensuring an appropriate control environment, focusing mainly on risk management, statutory and regulatory compliance, financial management and audit assurance.

In 2010–11 the committee reviewed:

- + compliance with the Department of Treasury and Finance's financial management compliance framework
- + risk attestation compliance
- + risk management framework
- + the Sustainability Fund's governance arrangements
- + ICT governance and security
- + the effectiveness of six SV programs.

The Audit and Risk Committee has three Board members: Suzanne Evans, Chair (appointed May 2011), Ross McCann (appointed May 2011) and Tony Marxsen. Frank King is an external, independent member. Mick Bourke and Mike Hill resigned from the committee in April 2011. Table 2 shows committee members' meeting attendance.

The Audit and Risk Committee satisfies the independence criteria according to the Minister for Finance's standing directions. See Appendix 1 for the Board Chair's risk attestation.

Table 2: Audit and Risk Committee attendance

Committee member	Meetings held	Meetings attended
Suzanne Evans, Chair	1	1
Ross McCann	1	1
Tony Marxsen	6	6
Frank King	6	6
Mick Bourke, Former Chair	5	5
Mike Hill	5	4

Human Resources Committee

The Human Resources (HR) Committee oversees remuneration, HR and OH&S practices.

In 2010–11 the committee:

- + reviewed, contributed to and monitored HR plans to improve organisational culture and employee retention and development
- + reviewed our OH&S management system audit and voluntary compliance with the AS/NZS 4801:2001 standard, and monitored the implementation of agreed actions
- + reviewed risks identified in the HR risk register, and identified trends in the quarterly HR metrics and the annual culture pulse check
- + approved the current year's performance process and timetable for managing CEO performance and updated the CEO succession plan
- + reviewed the year's employee performance ratings trends.

The committee has three Board members: Carolyn Lloyd, Chair, Cheryl Batagol and Tanya Ha, and one public sector executive, Leigh Keath, Melbourne Water's General Manager of Human Resources. Table 3 shows committee members' meeting attendance.

Table 3: Human Resources Committee attendance

Committee member	Meetings held	Meetings attended
Carolyn Lloyd, Chair	4	4
Cheryl Batagol	4	4
Tanya Ha	4	4
Leigh Keath	4	3



Performance Monitoring Committee

The Performance Monitoring Committee oversees the development of our Performance Monitoring Framework (PMF). The purpose of the framework is to foster an evidence-based culture that drives the effective delivery of measureable environmental, social and economic outcomes for Victorians.

In 2010–11 the committee endorsed:

- + publishing research that identified key features of best practice monitoring and evaluation
- + trialling the use of logic models and monitoring and evaluation plans for select projects
- + developing performance measures in SV's business plan via a structured and collaborative approach
- + ensuring evidence is used in the development of performance indicators that are embedded in SV's new Strategic Plan.

The committee has also overseen the development of a longer-term vision of monitoring and evaluation at SV, which will:

- + move to a stronger culture of evidence-based inquiry that measures qualitative and quantitative outcomes (including both achievement of targets and non-target outcomes) and values the lessons learned from evaluation
- + provide incentives and signals for staff to value the use of monitoring and evaluation findings, and provide explicit structured opportunities for organisational learning
- + embed monitoring and evaluation into business planning, and ensure it is included in the design of programs and projects
- + develop in-house capability in using logic modelling in program and project design.

The committee has three Board members: Tony Marxsen Chair, Mike Hill and Suzanne Evans. Table 4 shows committee members' meeting attendance.

Table 4: Performance Monitoring Committee attendance

Committee member	Meetings held	Meetings attended
Tony Marxsen	3	3
Mike Hill	3	1
Suzanne Evans	3	2

Part 4

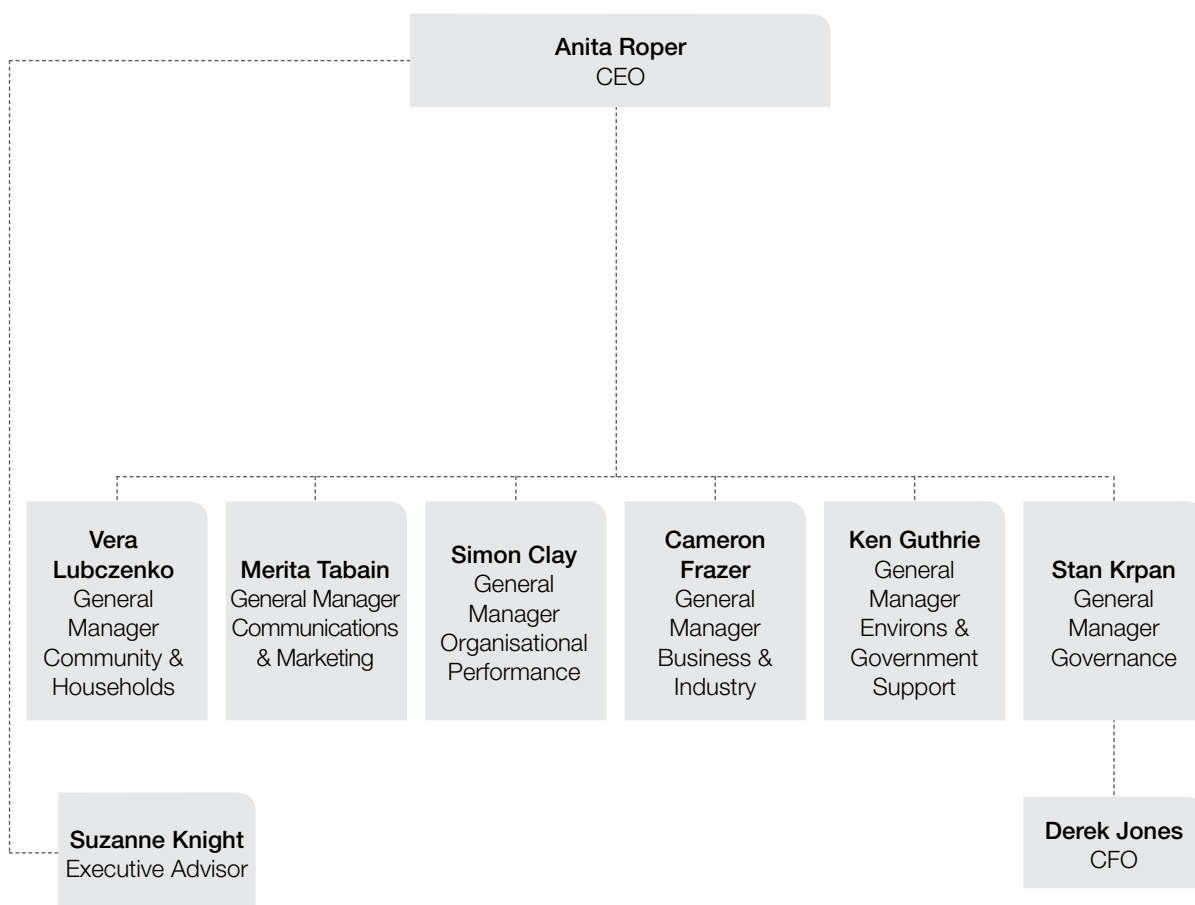
Our Executive Team

The Executive Team comprises the CEO, six General Managers and the Chief Financial Officer. Figure 1 shows the members of our Executive Team and supporting roles.

The Executive Team is accountable for line management, key organisational functions and program delivery.

Figure 1:

Our Executive Team and supporting roles:



Part 5

Our performance

What we set out to do

Our 2010–11 Business Plan outlined a suite of programs and projects that would deliver greater outcomes for all Victorians in partnership with business, community, households and government. In particular, we focused on providing reliable information, tools and incentives to:

- + build the ability of Victorians to take action
- + show people how to take action
- + demonstrate that sustainability really works, and
- + communicate the results effectively.

Our key achievements

Throughout 2010–11, we worked with many businesses, community groups and government bodies, and reached thousands of households to make Victoria a more resource efficient and affordable place to live.

Business

We partnered with a variety of businesses and business associations, including commercial and manufacturing groups, to enhance resource efficiency. We worked with the renewable energy sector to facilitate and encourage the use of commercially available renewable and low-emission energy. We supported the resource recovery sector to increase recovery and develop new markets. We partnered with education providers to increase the sustainability and energy efficiency skills of trades and professions.

Our approach was to provide information, advice, tools and incentives, and wherever possible, work in partnership to demonstrate practical and financially viable solutions.

Key achievements in 2010–11

Our partnership with the Victorian Employers' Chamber of Commerce and Industry (VECCI) to deliver Carbon Down reached 440,000 SMEs and resulted in 38,000 carbon abating activities. The outcome was abatement of over 40,000 tonnes of carbon by SMEs in 2010–11.

We helped SPC Ardmona and Bulla Dairy Foods work with 24 companies across their supply chains to understand and implement carbon reduction opportunities for two of their products.

We supported the delivery of two Victorian-first renewable energy projects under the Renewable Energy Commercial Demonstration Program: Australia's first community owned wind park at Hepburn, which will generate 12,200 megawatt hours of energy each year for 20 years, and Victoria's first solar cooling project at Echuca Hospital, which utilises solar heated hot water to contribute to the cooling of buildings (see case study: *Cooling Echuca Hospital with the sun* on page 22). They provide excellent examples of new sustainable and local approaches to the delivery of renewable energy for communities and for the cooling of buildings.

We managed projects under the Australian Packaging Covenant, a voluntary initiative by government and industry to reduce the effects of packaging on the environment. Nearly 190 tonnes of recyclable materials were recovered through public place recycling, and up to 45% reduction in litter was achieved in some areas of Victoria, through litter prevention programs. These projects will continue to recover tonnes for recycling and reduce litter because of improvements to infrastructure and resource recovery systems.

Together with industry associations and registered training organisations, we promoted the uptake of sustainability training through the development of case studies and provision of financial support for training (see case study: *Enhancing EcoSmart accreditation* on page 23). We helped build their capacity to deliver skills for training by providing resources, supporting train the trainer workshops, and establishing networks.

Community

We supported a wide range of community groups to increase resource efficiency and reduce their environmental impacts. We worked with local government and land managers to reduce litter and recognised the efforts of communities to improve their local amenities. We worked to promote the business benefits of developing sustainable precincts. We fostered networks of local and state government and developers, to facilitate the understanding and implementation of low-impact living in more sustainable precincts and neighbourhoods. We grew the number of schools and teachers implementing sustainable practices and teaching school communities about sustainability.

Wherever possible, our approach was to enable communities to share their experiences and implement sustainable solutions. To overcome barriers to the development of sustainable precincts, we undertook research and shared findings and provided tools, technical advice and financial support to expedite outcomes. We maintained a strong focus on working with and connecting communities throughout regional Victoria through many of our programs and our regional facilitators.

Key achievements in 2010–11

Feasibility studies were completed on three residential development sites as part of our Zero Emissions Neighbourhoods project, and funds were provided to seven precinct energy projects as part of our Smart Energy Zones project. The latter projects include the Centre for Education and Research in Environmental Strategies (CERES) Environmental Park and the Department of Human Services' Carlton Housing Redevelopment.

We conducted research and published findings that document business models from 43 sustainable precincts around the world (see case study: *Working toward precinct-level sustainability* on page 28). We also sponsored the Green Building Council of Australia's Green Star Communities Framework and the Urban Development Institute of Australia's Envirodevelopment tool, providing greater industry understanding of the components of sustainable precincts, and how to benchmark them.

As part of an ongoing commitment to litter and resource recovery, we allocated \$1.4 million from the Roadside Litter and Public Place Recycling grants program to seven roadside litter projects and 25 public place recycling projects.

In partnership with regional organisations through the Regional Towards Zero Waste Support program, we supported the recovery of 420 tonnes for recycling, the abatement of 720 tonnes of GHG emissions, and the creation of 10 jobs for people with disabilities. The projects provided three new resale facilities, installed new public place recycling infrastructure, reduced littering along the Murray River, brought kerbside recycling bins up to best practice, and provided 13 new e-waste collection points.

We completed the Municipal Infrastructure Funding program by providing funding assistance to local governments to deliver new resource recovery centres at Apollo Bay, Halls Gap and Cobram, to make recycling easier for the community. These projects have recovered over 220 tonnes for recycling. It is anticipated that the increased capacity will enable further recovery of 1,300 tonnes each year.

An additional 60 schools commenced the core module, and 30 commenced the waste module of the ResourceSmart AuSSI Vic program. Forty-four practitioners completed ResourceSmart AuSSI Vic Facilitation training, which will support the ongoing expansion of the program.

We expanded our presence by having staff based in Geelong, Mildura, Castlemaine, Shepparton, Inverloch, Frankston, Box Hill and Brunswick.

Households

We encouraged people at home to increase resource efficiency by changing their behaviours, to install and use more energy and water-efficient appliances and adapt their existing homes to be more energy and water-efficient. We worked with community groups to support people living in disadvantaged households save on their utility bills and live more comfortably in their homes. We worked to improve the energy and water efficiency of new homes, including those being rebuilt after the Black Saturday bushfires.

Our approach was to provide information, advice, tools and incentives to householders or to build the capability of others, such as community groups or retailers, who directly interact with and influence householders.

Key achievements in 2010–11

We provided a free and safe household chemical disposal service, which collected more than 963 tonnes of household chemicals at mobile events and permanent collection sites and from waterways and landfill sites.

Together with schools, workplaces, sporting clubs, scouts and girl guides, we engaged more than 2,400 households in online GreenHouse Games and GreenHouse League challenges. Victorians switched off appliances, mulched their gardens, installed solar hot water, and walked and cycled more. Participants saved 5,600 tonnes of GHG emissions, reduced water consumption by 63 million litres, and avoided creating over 500 tonnes of household waste.

We provided 2,578 rebates to Victorian households to assist with the installation of solar hot water systems, resulting in 3,488 tonnes of GHG savings. Forty per cent of the rebates were provided to regional households.

We worked with community No Interest Loan Scheme (NILS) providers to assist those in financial hardship purchase an energy-efficient appliance. Three hundred households were assisted through our Whitegoods Appliance Rebate Program, compared to 144 the previous year. An additional 15 community NILS providers joined the Rebate Program during the year.

In partnership with more than 350 appliance, hardware and lighting retailers, we continued to encourage Victorian households to buy energy and water-efficient products (see case study: *Right Advice at the Right Place* on page 31).

In partnership with community groups we retrofitted (draught proofed windows and doors, installed water-saving devices and compact fluorescent lights) 1,961 homes in regional and Melbourne metropolitan areas, saving low-income households an estimated \$139 per annum on energy bills. We supported community groups and local government to implement projects that lead to reduced energy bills and improved home comfort (see case study: *Recycling for the future* on page 31).

Government

We supported local governments to improve their resource efficiency in everyday operations and to embed sustainable practices in decision making. We also worked with all 79 local governments in Victoria to measure the efficiency and effectiveness of kerbside services and to improve resource recovery, via the Victorian Local Government Annual Survey. We helped other state government organisations to improve their resource efficiency and to embed sustainable practices in decision making. We contributed evidence-based advice to the development of sustainability policy and expanded and improved minimum energy performance standards of some products.

Our approach was to share information, advice and tools with other government organisations to maximise the resource efficiency outcomes of policy decisions, everyday operations and decision making.

Key achievements in 2010–11

Our newly launched 5StarSustainability self-assessment tool enabled councils to measure their sustainability performance and seek certification. So far, 21 local governments have used the tool.

We worked with the Municipal Association of Victoria (MAV) to showcase the use of recycled material as an alternative to quarried rock in road-base construction (see case study: *Recycling for better road construction* on page 35). We worked together to demonstrate the use of more than 2,000 tonnes of recycled glass and concrete at five construction sites.

We also worked with MAV to support its policy development, communication and project delivery roles, specifically input to the Australian Packaging Covenant and E-waste policy, education and information on sustainable public lighting and the production of the Victorian Local Government Guide to Reducing Carbon Emissions.

We launched 5StarSustainability for Government, which allows state government agencies to measure their sustainability progress. Forty-eight government organisations registered, and three have received certification. Agencies continued to implement their environmental management systems (EMS) (see case study: *Melbourne Zoo switches on to solar* on page 35).

We also provided direct support and training for more than 50 state government agencies through two separate Behaviour Change Training programs, EMS training and sustainability coaching. To support the implementation of actions, we assisted 18 agencies to directly reduce their environmental impact, including a new bin system at RMIT's city campus, and direct energy savings at the Australian Centre for the Moving Image (ACMI), Melbourne Zoo and Ambulance Victoria.

As Technical Advisor to the Victorian Energy Efficiency Target (VEET) Scheme, we worked with Department of Primary Industries and Essential Services Commission to double the scheme's target and broaden its reach into the SME sector.

On behalf of the National Equipment Energy Efficiency Committee, we managed the development of Minimum Energy Performance Standards and labelling regulations for gas-ducted heaters. As Chair of the National Framework for Energy Efficiency Training Committee, we led the development of the National Energy Efficiency Skills Initiative.

Our environmental outcomes

In our 2010–11 Business Plan, we identified measureable environmental outcomes to be achieved via our programs with Victorian business, community, households and government.

These outcomes were:

- + tonnes of waste diverted
- + megawatt hours (MWh) of renewable energy generated
- + MWh of energy saved
- + tonnes of GHG abated.

We were also responsible for the delivery of the state's waste strategy *Towards Zero Waste*, which includes waste avoidance, resource recovery and litter targets to be achieved by 2014 (refer to Table 5).

Overall, we met most of our intended environmental outcomes, as shown in Tables 5 and 6.

Table 5: Towards Zero Waste strategy targets

2014 Targets	Projected 2009-10 target	Actual 2009-10 result
1.5 million tonne reduction in the projected quantity of solid waste generated by 2014 (reported as total solid waste generated)	10.2 million tonnes generated ¹	11.3 million tonnes generated
75% by weight of solid waste recovered for reuse, recycling and/or energy generation	62%	66%
Sectoral recovery rates:		
Municipal solid waste (65%)	49%	48%
Commercial and industrial waste (80%)	67%	65%
Construction and demolition waste (80%)	67%	80%
A 25% improvement in littering behaviour from 2003 levels	13.6% ²	17.2% ³

¹ Projected waste generation has been recalculated and updated using rebased GSP figures sourced from the Australian Bureau of Statistics and population figures sourced from the Department of Planning and Community Development

² 2009 notional target base on calendar year

³ The Victorian Litter Report 2009, Sustainability Victoria

Table 6: Measureable environmental outcomes

Environmental outcome	What we said	What we did	% achieved
Waste diverted (tonnes)	76,800	58,875 ²	77 ³
Renewable energy (MWh)	743,700	695,003	93 ⁴
Energy saved (MWh)	2,488,400	2,504,471	101
Greenhouse gas abated (tonnes) ¹	4,422,700	4,444,410 ⁵	100

¹ Independent verification of our GHG abatement calculations is in Appendix 2.

² This value captures the actual tonnage of waste collected, rather than an annualised total, and some of the projects may have been initiated before the start of this financial year. The associated abatements had not been included in prior GHG abatement claims.

³ The Recovery of Packaging Material from SMEs project achieved only 63% of the target tonnes, due to ongoing impacts from the Global Financial Crisis at the beginning of the project.

⁴ The lower actual is due to less than forecasted reporting of the uptake of GreenPower. Data for monthly GreenPower figures has not been provided since December, and so January to June data has been conservatively estimated by SV.

⁵ This includes 188 tonnes of waste diverted, and the associated 225 tonnes of GHG, which were beyond the scope of verification.



What we achieved with our stakeholders

In our 2010–11 Business Plan, we identified actions to be achieved via our programs with Victorian business, community, households and government. This section describes those achievements.

Business

Our key business partners in 2010–11 were the commercial and manufacturing industry, the renewable energy industry, the resource recovery industry, small to medium enterprises (SMEs), training providers and related industry associations and peak bodies.

Our objective was to **help Victoria's businesses take action**.

To achieve this objective we set out to:

- + provide tools, knowledge and incentives
- + help develop new markets
- + create capacity and demand for 'green' skills
- + grow clean energy supply
- + improve existing commercial buildings' sustainability performance
- + increase resource-recovery capacity.

In doing this we planned to achieve the environmental outcomes listed in Table 7.

Table 7: Environmental outcomes achieved in our Business programs

Environmental outcome	What we said	What we did
Waste diverted (tonnes)	74,300	56,731 ²
Renewable energy (MWh)	742,000	691,023
Energy saved (MWh)	600	12,858 ³
Greenhouse gas abated (tonnes) ¹	977,000	880,113 ⁴

¹ Independent verification of our GHG abatement calculations is in Appendix 2

² This value captures the actual tonnage of waste collected, rather than an annualised total, and some of the projects may have been initiated before the start of this financial year. The associated abatements had not been included in prior GHG abatement claims.

³ The overachievement of Energy saved from our Business programs was due to energy savings from Carbon Down and our work on commercial buildings, which was not envisaged at the beginning of the year.

⁴ This includes 188 tonnes of waste diverted, and its associated 225 tonnes of GHG, which were beyond the scope of verification.

What we said we would do and our performance in 2010–11 for our Business programs is outlined in Table 8.

Table 8: Our performance with Business

Program	What we said we would do	Our performance
Clean energy	<p>To facilitate and encourage use of commercially available renewable and low-emission energy we will:</p> <ul style="list-style-type: none"> increase the understanding of the costs and financial benefits of distributed generation and smart grids finalise funding support for Hepburn Wind's community wind-power facility support more robust policies and strategies for renewable energy by sharing our knowledge and expertise with government departments and agencies deliver industry support initiatives to help develop Victoria's renewable energy sector, including GreenPower provide current information about renewable energy in Victoria, including measuring wave energy resources along Victoria's south-west coast through the Wave Monitoring project. 	<ul style="list-style-type: none"> Published a guide to help local government better understand the steps and processes for connecting cogeneration and distributed energy to the electricity grid. Completed our funding support for the Hepburn Community Wind Park, which became Australia's first community owned wind project. This two-turbine wind farm is expected to generate annual energy needs of 2,300 homes and reduce GHG by 14,762 tonnes per annum. <p>Supported a solar-assisted cooling system at Echuca Hospital (see case study: <i>Cooling Echuca Hospital with the sun</i> on page 22).</p> <ul style="list-style-type: none"> Advised the Department of Primary Industry on implementing small-scale solar photovoltaic policies, and the Department of Planning and Community Development on planning wind farms. Held two forums for the bio-energy sector. <p>Validated the performance of solar hot water systems that are eligible for rebates and Victoria's energy-efficiency target.</p> <p>Supported GreenPower to increase sales by 16% to reach 671,000 Megawatt hours (MWh), saving 812,000 tonnes of GHG emissions.</p> <ul style="list-style-type: none"> Compiled data from 2010 that shows 2,645 Gigawatt hours (GWh) – 5% of Victoria's electricity consumption – comes from renewable energy generators. <p>Commenced data collection from the Wave Monitoring project in January 2011.</p>

Case study: A life-cycle approach to sustainability management

There are significant resource savings to be achieved in the hospitality industry and The Gordon TAFE in Geelong, winner of the Victorian Training Provider of the Year Award in 2010, recognised this potential. In partnership with us, The Gordon established a life-cycle thinking approach to sustainability (seeking to identify possible improvements in processes and services, with the aim of lowering environmental impacts and reducing the use of resources across all life-cycle stages) for the Cookery and Hospitality Department.

The department educates the next generation of hospitality staff and operates restaurants for the Geelong community. The life-cycle thinking approach and associated resource savings within the department have the potential to influence students, staff, the Geelong community and the broader hospitality industry.

The Gordon mapped the environmental impact of the department, using a Life-Cycle Mapping tool developed by SV. The tool assisted The Gordon to map its operations, identify key environmental impacts along the supply chain, and develop a sustainability action plan.

By using the tool to analyse its activities, The Gordon

established a best practice sustainability model, and delivered:

- a sustainability strategy endorsed by The Gordon's CEO
- a sustainable procurement policy that aims to engage with suppliers to establish a regional producers network
- curriculum development, including an accredited sustainability module for students
- life-cycle mapping and general sustainability training for teachers, and
- installation and commissioning of innovative equipment.

Over time, the project aims to:

- reduce waste by around 70%, by using the Pulpmaster 3000, an innovative organic waste processing unit
- reduce energy by 10% to 20% through low-energy and LED lighting and other equipment initiatives
- eliminate the need for cleaning and sanitising chemicals by installing an E-water system (electrolysed salt water produces an acidic sanitising and alkaline cleaning solution), and
- reduce water use by 15% and reduce running costs of over \$7,000 per annum, through the use of water-efficient glass and dishwasher solutions.

Table 8: Our performance with Business (continued)

Program	What we said we would do	Our performance
Commercial	<p>To help commercial organisations improve resource efficiency, we will:</p> <ul style="list-style-type: none"> + engage 120 commercial building tenants through the City Switch program to improve energy efficiency and increase their National Australian Built Environment Rating System (NABERS) star rating + engage property owners and tenants to improve the sustainability of existing commercial buildings outside the CBD + conclude our existing projects with Colonial First State and ISPT to increase their commercial buildings' performance to 4-star under the NABERS rating scheme + sponsor and support the Melbourne Forum to engage the commercial building sector in built-environment sustainability + continue our partnership with VECCL to reduce GHG emissions by 30,000 tonnes, by increasing SMEs participation in Carbon Down + support ECO-Buy to encourage various organisations to purchase more sustainable products, ensuring that it will be financially self-sustaining + advise organisations on resource-efficient offices through our Outreach and Advice project + commence a pilot on improving the sustainability of shopping centres by improving building energy performance and tenant behaviour 	<ul style="list-style-type: none"> + Engaged 90 commercial building tenants, and expanded from the Cities of Melbourne and Port Phillip to the City of Yarra. 1,742 tonnes of GHG was abated and 496 MWh of energy saved. + Engaged two existing suburban office buildings to improve energy efficiency via building tuning and retrofitting. + Supported Colonial First State, at 385 Bourke Street, achieve a NABERS 3.5 Star rating. + Supported the completion of the ISPT project, at 500 Bourke Street, which is expected to achieve a NABERS rating of at least 4 Stars. + Supported four Melbourne Forum events attended by approximately 630 people. + Completed our Carbon Down program with VECCL and: <ul style="list-style-type: none"> • raised awareness amongst over 440,000 SMEs of the need to reduce carbon dioxide emissions • increased number of SMEs undertaking carbon management action with over 38,000 actions taken against a 3 year target of 32,000 • achieved carbon abatement of over 70,000 tonnes against a 3 year target of 60,000. + Concluded our funding support for ECO-Buy and sponsored one of ECO-Buys annual awards 'Award for Green Products Procurement – Regional Council'. + Provided advice to organisations including Cotton On Group, KPMG, Readings Books and Jones Lang about implementing an environmental management system. + Completed research into options for improving the environmental sustainability of shopping centres, including examining the shading effects of photovoltaic panels on air conditioning loads and looking at options for natural ventilation of mall spaces.

Case study: Cooling Echuca Hospital with the sun

Hospitals use significant amounts of energy due to the nature and extent of the services they provide to the community. Energy for heating and cooling is a major requirement.

Sustainability Victoria supported Echuca Regional Health to incorporate solar thermal technology into a new air conditioning cooling system at the Echuca Hospital.

In 2010, Echuca Hospital had immediate needs to replace ageing air conditioning units, and also wished to cater for a planned future redevelopment. Echuca Regional Health was facing significant expense for an upgrade to the hospital power supply if the new air conditioning system was powered by electricity. As a solution, the hospital installed a 500 kilowatt heat-driven absorption chiller, which uses a combination of solar energy and natural gas as its energy source: a solution that is cheaper to operate and also more sustainable,

with reduced GHG emissions.

A large rooftop array of 1,600 evacuated solar tubes was installed to heat water to 95°C, which is circulated through the absorption chiller to drive a thermal evaporation process that cools water to 6°C for air conditioning. Natural gas maintains the hot water supply at times of insufficient solar energy.

The installation includes extensive monitoring and control technology to optimise the use of solar energy and to maximise cost savings. When demand for cooling is low, the system can store hot water for later use in two 5,000 litre tanks.

Sustainability Victoria provided advice and \$445,000 of funding toward the design and delivery of the solar assisted aspect of the cooling system, on the basis that this was an excellent demonstration of an innovative application of technically proven renewable energy technology. The Echuca Hospital Solar Cooling system is the first in Victoria and the largest so far in Australia.

Table 8: Our performance with Business (continued)

Program	What we said we would do	Our performance
Manufacturing	<p>To help industry improve resource efficiency, we will:</p> <ul style="list-style-type: none"> + work with manufacturing organisations to increase their resource efficiency and adopt life-cycle thinking + enable industry associations to implement behaviour-change activities and increase member businesses' resource efficiency, as part of the Business Partnerships project + partner with Ai Group and PACIA to increase companies' resource efficiency, through the Sustainability Leadership in Industry project. 	<ul style="list-style-type: none"> + Completed projects via the Beyond Best Practice program: <ul style="list-style-type: none"> • The Roads To Zero Waste project created a web-based information hub and five demonstration sites, using more than 2,000 tonnes of recycled concrete and glass blends, to encourage councils to use more approved, recycled material for road base construction (see case study: <i>Recycling for better road construction</i> on page 35). • A life-cycle mapping exercise with The Gordon TAFE Cookery and Hospitality Department in Geelong is helping reduce waste by 70%, and reduced energy and water use (see case study: <i>A life-cycle approach to sustainability management</i> on page 21). + Worked with industry associations, regional networks and businesses to improve sustainability performance and resource efficiency. <p><i>Australian Food and Grocery Council</i> Established a three-year sustainability covenant with the Australian Food and Grocery Council and EPA Victoria to improve the sustainability of the food and grocery sector.</p> <p><i>Paint Care</i> Developed, in partnership with the Australian Paint Manufacturer's Federation (APMF), an industry-led paint product stewardship trial. The trial will commence in late 2011, and is supported by a national levy of \$0.02 per litre at the point of sale.</p> + Supported the Australian Industry Group (Ai Group) SPC Ardmona and Bulla Dairy Foods to achieve reductions in the carbon intensity of one of their product lines and published a report highlighting key findings from this work (see case study: <i>Ai Group – Carbon footprint in supply chains</i> on page 24). <p>Worked with the Plastics and Chemicals Industries Association (PACIA) to develop a strategic roadmap for implementing resource efficiency across supply chains.</p>

Case study: Enhancing EcoSmart accreditation

The original EcoSmart training program has become one of the prime sources of energy-efficiency training for the electrical industry. To date, it has trained more than 1,300 electricians, 300 electrical contracting businesses and 38 TAFE teachers.

The training has taught electricians the requirements, possibilities and importance of energy efficiency. It has also helped up-skill electricians in emerging areas like solar generation and energy-efficient lighting technologies.

Sustainability Victoria, in conjunction with the Victorian Chapter of the National Electrical Communications Association (NECA), has created the EcoSmart pack to capitalise on the achievements of the EcoSmart electricians program.

The EcoSmart pack consists of ten case studies, available on video, online and in brochure format. It is distributed to all electricians who complete their

EcoSmart training. Electricians have an opportunity to help drive demand for sustainable practices by providing advice that can encourage customers, both domestic and business, to move in the right direction.

Electricians with EcoSmart certification are now able to more effectively market their green credentials to domestic, commercial and industrial clients, thanks to the EcoSmart pack. The accreditation component has enabled the contractor to advertise their expertise and services into a market with a recognisable and ethical brand that is supported by the industry's peak body NECA.

In addition to its marketing value, the EcoSmart pack has become a resource for anyone wanting background information on the subject. It also helps people looking to implement work similar to that described in the case studies.

The success of the EcoSmart pack has shown the value that providing additional resources can bring to accredited training programs, in this case enhancing industry acceptance of the EcoSmart accreditation.

Table 8: Our performance with Business (continued)

Program	What we said we would do	Our performance
Resource recovery – business	<p>To expand resource-recovery capacity and develop new markets for recovered resources, we will:</p> <ul style="list-style-type: none"> + support the <i>Towards Zero Waste</i> (TZW) strategy to reduce waste generation + implement the Australian Packaging Covenant resource recovery project to recover an additional 42,000 tonnes of recyclable packaging from SME's + continue the ByteBack recycling trial program for end-of-life computers to help develop a national product stewardship scheme + start a five-year recycling industry investment and innovation project to help councils increase resource recovery rates + continue support for green waste recovery through the Best Practice Organics Recovery project and various market development initiatives. 	<ul style="list-style-type: none"> + Developed a draft implementation plan for consultation, to guide the remaining years of the TZW strategy + Funded infrastructure for new SME recycling services, including the purchase of bins and trucks, which resulted in the recovery of 19,033 tonnes of recyclable packaging material from SMEs. + Collected 589 tonnes of old computer equipment for recycling, abating more than 2,300 tonnes of GHG. The outcomes from ByteBack helped inform the development of the Product Stewardship Framework Bill 2011, which was introduced to Federal Parliament in March 2011. + Launched the Driving Investment for New Recycling Fund, and allocated \$3.75 million to 17 projects in the first funding round. + Diverted 27,046 tonnes of organics from landfill (equivalent to 6,248 tonnes of GHG abatement). <p>Partnered with Compost Victoria to develop a draft three-year Market and Industry Development Plan, and funded a Market and Industry Development Officer to implement key elements of the plan.</p>

Case study: Ai Group – Carbon footprint in supply chains

There are significant opportunities to reduce GHG emissions within the manufacturing industry. In partnership with the Ai Group, we developed an innovative project called the ResourceSmart Business Industry Pilot (the 'Pilot') to help businesses identify potential carbon savings. The pilot applied a detailed life-cycle assessment method which quantifies the environmental aspects and potential impacts of a product or service.

Two companies, SPC Ardmona and Bulla Dairy Foods, each nominated a major food product to undergo a full life-cycle assessment. With an emphasis on reducing carbon emissions, the pilot applied life-cycle thinking to companies across the supply chains of two Victorian-produced products: a 410-gram can of SPC peaches in natural juice, and a two-litre tub of Creamy Classics vanilla ice cream from Bulla Dairy Foods.

Ai Group gathered all participants in each project's supply chain in a single room for two workshops aimed at maximising opportunities for emissions abatement.

By conducting detailed life-cycle assessments, the pilot identified carbon hot spots across the supply chain and investigated abatement opportunities. The pilot then developed two supply chain-owned opportunity roadmaps to achieve carbon abatement.

The pilot's benefits included:

- carbon footprint results that could be easily understood and incorporated into company sustainability strategies

- life-cycle results and abatement opportunities available to supply chain members on an ongoing basis (e.g. during commercial negotiations)
- clear identification of carbon management opportunities and risks, including the supply chain impact of any price on carbon emissions
- a shared understanding of carbon issues between supply chain participants
- validation of a method that promoted supply chain engagement, where participants worked together to identify and prioritise carbon abatement opportunities, and
- the realisation that the pilot's method can easily be applied to other products and services.

The pilot found that challenges to a supply chain approach include:

- providing sufficient answers on outcomes and resource requirements to encourage supply chain participants to take part in the process
- handling commercially sensitive information, and
- ensuring that the focus on carbon does not result in unintended environmental impacts, such as increased water use.

The pilot's second phase will continue until March 2012. It will involve monitoring, reporting and supporting progress.

One of the key findings was that the proportion of a product's total carbon footprint directly attributable to its own manufacturing process can be small – in the case of Bulla Dairy Foods, this represented less than 10% of the total. This illustrated the importance of working with partners across the supply chain to identify and act on the biggest opportunities for reducing carbon footprints.

Table 8: Our performance with Business (continued)

Program	What we said we would do	Our performance
Skills for sustainability	<p>To develop and promote accredited training courses and support organisations and trainers delivering sustainability and energy efficiency skills to relevant trades and professions, we will:</p> <ul style="list-style-type: none"> + provide accredited courses, resources and seminars to deliver skills initiatives under the Victorian Government's Jobs for the Future Economy program, the National Framework for Energy Efficiency and the National Energy Efficiency Skills Initiative + support curriculum maintenance and monitoring to ensure course materials are current, relevant and accord with the Victorian Registration and Qualification Authority + promote and enable greater uptake of sustainability courses and enable Registered Training Organisations to up-skill trainers and technicians to deliver training + encourage skills development and implementation for sustainability policy across Victoria and Australia. 	<ul style="list-style-type: none"> + Developed training videos for the Retrofitting Homes for Energy and Water Efficiency course, and completed a pilot program to trial workplace projects in sustainability, to support apprenticeship training. + Supported curriculum maintenance by: <ul style="list-style-type: none"> • issuing 19 Educational Agreement and IP Licences to registered training organisations, so they could deliver our courses • completing course reviews for Home Sustainability Assessors, for Retrofitting Homes for Energy and Water Efficiency and Energy Efficient Heating, and for Ventilation and Air Conditioning (HVAC) Systems. + Supported uptake of sustainability courses by: <ul style="list-style-type: none"> • completing two Train the Trainer workshops for home sustainability assessment teachers • developing and launching 10 case studies to support EcoSmart Electricians (see case study: <i>Enhancing EcoSmart accreditation</i> on page 23) • assisting 14 trainers and 214 painters to complete Sustainable Painting Practices courses • enabling 60 people to complete the Retrofitting Homes for Energy and Water Efficiency course • embedding content into construction trades by helping 68 people complete the Home Sustainability Assessment course, including 12 teachers • up-skilling 50 plumbers in Solar and Heat Pump Hot Water Installation • helping 25 TAFE teachers trained in the Green Plumbing course to embed the content into apprenticeship training. + Supported national level policy by: <ul style="list-style-type: none"> • providing the Chair and Secretariat function for the National Framework for Energy Efficiency (NREE) Trades and Professions Training and Accreditation Committee • contributing to the development and implementation of the National Energy Efficiency Skills Initiative.



Community

The community sector is diverse, so in 2010–11 we focused our work with many community organisations in metropolitan and regional Victoria through our Community Facilitators. They are located in key regional locations, and have developed networks of community groups and organisations. We also continued to work on new residential and mixed residential/commercial precincts as well as the primary and secondary education sector.

Our objective was to **build community resilience and capacity**.

To achieve this objective we set out to:

- + show communities how to live sustainably
- + develop a stronger regional presence
- + develop education sector capacity.

In doing this we planned to achieve the environmental outcomes in Table 9.

Table 9: Environmental outcomes achieved in our Community programs

Environmental outcome	What we said	What we did
Waste diverted (tonnes)	1,600	642
Renewable energy (MWh)	1,700	3,980 ²
Energy saved (MWh)	2,100	2,503
Greenhouse gas abated (tonnes) ¹	16,700	7,423 ³

¹ Independent verification of our GHG abatement calculations is in Appendix 2.

² Renewable energy outcomes from Smart Energy Zones and ongoing abatement from the Solar in Schools program had not been included in our original targets.

³ The greenhouse gas abatement was overestimated in our 2010–11 Business Plan.

What we said we would do and our performance in 2010–11 for our Community programs is outlined in Table 10.

Table 10: Our programs with Community

Program	What we said we would do	Our performance
Climate communities	<p>To encourage and support community action on climate change and resource efficiency we will:</p> <ul style="list-style-type: none"> + facilitate projects and provide grants to local community groups to act on climate change and reduce carbon emissions + establish community-based solar-photovoltaic facilities through the Solar Hubs project + increase entries into the Keep Australia Beautiful Victoria (KABV) key awards by 20% from 2009–10 + develop a stronger regional presence. 	<ul style="list-style-type: none"> + Provided \$1.2 million to community groups for 27 projects including community sustainability education centres, bicycle users programs, home energy efficiency and alternative energy programs. + Allocated \$2.2 million in grants to five regional communities to install solar photovoltaic (PV) facilities. The result is 8.45 megawatts of generating capacity planned for installation by January 2013. + A 24% increase in entries to the KABV awards compared to 2009. + Deployed regional staff in Geelong, Mildura, Castlemaine, Shepparton, Inverloch, Frankston, Box Hill and Brunswick. <p>Increased the volunteer base involved with KABV, resulting in increased beautification and amenity of railway stations in Victoria through the Stationeers program.</p>
Sustainable precincts	<p>To create precincts that exemplify low-impact living, working and travel we will:</p> <ul style="list-style-type: none"> + promote the business case for sustainable precincts to industry and government, including the economic, social and environmental outcomes from the Armstrong Creek Business Case + facilitate energy supply and demand infrastructure development for precincts across Victoria under the Smart Energy Zones (SEZ) project + partner with developers, government and the community to implement new precincts aimed at zero net operational emissions under the Zero Emissions Neighbourhood project. 	<ul style="list-style-type: none"> + Promoted sustainable development to industry and government using the Armstrong Creek Business Case. <p>Produced a research report and case study into the business models of 43 sustainable precincts across 12 countries (see case study: <i>Working toward precinct-level sustainability</i> on page 28).</p> <ul style="list-style-type: none"> + Supported energy projects in seven Victorian precincts including: CERES Environmental Park (solar cooker, aquaponics, wind generators, hydronic heating and passive building design) and Department of Human Services' Carlton Housing Redevelopment (high-efficiency lighting, solar hot water and natural ventilation). <p>Finalised co-generation service provider agreements for City of Manningham's Doncaster Hill, City of Boroondara's Ashburton Community Precinct, and VicUrban's Precinct Energy Project in Central Dandenong.</p> <ul style="list-style-type: none"> + Commenced working with Mornington Shire Council (Sorrento) and Australian EcoVillages (Cape Paterson EcoVillage) to undertake technical feasibility studies into precinct sustainability solutions. <p>Investigated feasibility and technology options with Lend Lease (Orrong Rd, Armadale), VicUrban (Officer) and City of Knox (Stamford Park).</p>
Resource recovery – communities	<p>To increase community participation in resource-recovery activities and reach TZW targets in regional Victoria, we will:</p> <ul style="list-style-type: none"> + implement the Litter Strategy to improve littering behaviours by 25% by 2014 compared to 2003 levels + help councils and land managers reduce roadside litter, supported by a state-wide behaviour change campaign through the Victorian Litter Action Alliance Litter Champion + fund various regional Victoria projects to help reach the TZW target to recover 65% of municipal solid waste. 	<ul style="list-style-type: none"> + Allocated \$1.4 million to seven roadside litter projects and 25 public place recycling projects. + This initiative was put on hold and not progressed during 2010–11. + Completed nine projects that resulted in the recovery of an additional 642 tonnes of material from landfill, abating 845 tonnes of GHG emissions.

Table 10: Our programs with Community (continued)

Program	What we said we would do	Our performance
Sustainability education	<p>To encourage schools to adopt sustainable practices and educate students and school communities on environmental issues, we will:</p> <ul style="list-style-type: none"> + continue to implement the Sustainability in School State Steering Committee Strategic Action Plan with key partners including Department of Education and Childhood Development (DEECD) + increase the number of education professionals in formal training courses on environmental sustainability + help schools complete modules of the ResourceSmart AuSSI Vic program + assist schools with funding to install PV solar systems and providing them with education resources about solar energy. 	<ul style="list-style-type: none"> + This was deferred. + Completed ResourceSmart AuSSI Vic Facilitation training with 44 practitioners and Recognition of Prior Learning training with a further 24 practitioners. <p>Connected more than 300 teachers and service providers via the Greening Australia Toolbox Forum.</p> <ul style="list-style-type: none"> + 60 schools commenced the Core Module and 30 commenced the Waste module. These are in addition to 679 ResourceSmart AuSSI Vic schools that have completed the module. <p>135 schools achieved ResourceSmart AuSSI Vic 5StarSustainability Certification, and three qualified to become 'leadership certified' in the 5StarSustainability Certification.</p> <ul style="list-style-type: none"> + More than 50 schools and community buildings received rebates to install PV systems.

Case study: Working towards precinct-level sustainability

There are many technically viable solutions to increase the sustainability of precincts in Victoria. However, some are not yet commercially viable for mainstream developments. Whilst they can readily demonstrate how they achieve environmental outcomes, new business and governance models are needed to fully realise their economic and social value, and to allow risk and long-term operational issues to be managed effectively by business, government and the community.

We investigated the business and governance models of 43 sustainable precincts in Australia and around the world in order to better understand and encourage similar innovation in Victoria.

The research report, *Business Models for Enabling Sustainable Precincts*, highlighted innovative finance, governance and risk models used by precincts to achieve sustainability outcomes.

The research used an 'innovation framework' to determine the maturity of the precincts' various business models. The report provided:

- details of financing, risk management, and infrastructure and service delivery models for each precinct
- an analysis of social, economic and environmental benefits

- an outline of market and regulatory benefits and barriers confronting each project
- specific real-world examples of successful approaches and the unforeseen barriers that effect implementation.

The report included six in-depth case studies highlighting unique models, including lessons learnt and benefits achieved. They were: Christie Walk, SA; Currumbin EcoVillage, Queensland; Hepburn Community Wind Park, Victoria; One Brighton Development, UK; Portland Streetcar, USA; and Vauban, Germany.

The report is a useful tool for those wanting to develop sustainability in residential precincts, as the findings can form part of a business case for developers. It found that there is a range of potential solutions, from community-owned sustainable housing developments, through to investment in urban transport programs that deliver tangible financial returns for both land owners and developers. The report also found that many sustainable precincts rely heavily on the public sector to trial and 'de-risk' the innovation, after which they become more commercially viable.

A Reference Committee supervised the research; it included representatives from SV, the Department of Transport, the Department of Planning and Community Development, and the Department of Treasury and Finance.

Households

Victoria has approximately two million households, and there were many opportunities in 2010–11 to positively influence everyday choices.

Our objective was to **help Victoria's households improve resource efficiency**.

To achieve this objective we set out to:

- + improve the sustainability of new and existing homes
- + advise and inform householders on sustainable choices
- + help households save on energy and water costs and reduce waste to landfill.

In doing this, we planned to achieve the environmental outcomes in Table 11.

Table 11: Environmental outcomes achieved in our household programs

Environmental outcome	What we said	What we did
Waste diverted (tonnes)	900	1,503 ²
Energy saved (MWh)	18,700	19,110
Greenhouse gas abated (tonnes) ¹	629,000	736,875

¹ Independent verification of our GHG abatement calculations is in Appendix 2.

² Waste diversion was higher than the target for our household programs due to the higher than expected resource recovery from the GreenHouse Games and GreenHouse League projects.

What we said we would do and our performance in 2010–11 for our Households programs is outlined in Table 12.

Table 12: Our programs with households

Program	What we said we would do	Our performance
Existing homes	<p>To encourage key behaviours to increase household resource efficiency, we will:</p> <ul style="list-style-type: none"> + provide free and safe household chemical disposal through the Detox Your Home program + develop comprehensive data and a case study report on the sustainability performance of various styles and eras of Victoria's homes, to inform owners and builders on sustainable renovation + challenge high-resource users to reduce GHG emissions by more than 1 tonne per home through the GreenHouse Games project + engage high-resource users to reduce GHG by more than 1 tonne per home through the GreenHouse League project delivered via football and netball clubs + implement a behaviour-change strategy to increase household recycling in metropolitan Melbourne through the Household Recycling project + provide rebates for Victorian households to switch to solar hot water systems 	<ul style="list-style-type: none"> + Collected and disposed of 273 tonnes of household chemicals from 7,485 Victorians at 31 mobile events, and 690 tonnes of household chemicals from the 13 permanent sites (see case study: <i>Detox Your Home chemical collections</i> on page 32). + Commenced a project with RMIT to research Victoria's housing types and styles. + Engaged 1,455 households via workplaces and schools, saving 3,700 tonnes of GHG (2.5 tonnes per household). Participants also reduced water consumption by over 37 million litres, and avoided creating 338 tonnes of household waste. + Engaged 965 households via clubs and Scouts and Girl Guides, saving 1,900 tonnes of GHG (almost 2 tonnes per household). Participants also reduced water consumption by 26 million litres, and avoided creating 201 tonnes of household waste. + Completed social research into household recycling barriers and motivators and commenced work on the behaviour-change strategy. + Provided 2,578 rebates to Victorian households to install solar hot water systems, abating around 3,488 tonnes per annum of GHG emissions.

Table 12: Our programs with households (continued)

Program	What we said we would do	Our performance
	<ul style="list-style-type: none"> + assist homeowners to rebuild after the Black Saturday bushfires, with rebates for rainwater tanks and solar hot water systems + engage with the building industry to identify barriers to improved environmental outcomes during renovations of existing homes + continue our Right Advice at the Right Place activities to increase energy and water-efficient appliances and whitegoods sales. 	<ul style="list-style-type: none"> + Provided 162 rainwater tank rebates and three solar hot water rebates to homeowners affected by the fires³ + Engaged the Master Builders Association and other industry professionals to identify barriers that home owners encounter. Commenced research to determine appropriate actions to overcome barriers. + Expanded our partnerships with more than 350 appliance, hardware and lighting retailers to increase sales of efficient appliances (see case study: <i>Right Advice at the Right Place</i> on page 31).
Low-income households	<p>To help low-income and disadvantaged households, we will:</p> <ul style="list-style-type: none"> + retrofit homes through the Energy and Water Task Force project + work in partnership with community organisations and local governments to inspire household behaviours that will cut energy bills and improve home comfort + provide incentives to community housing organisations to improve the energy and water efficiency of residential properties + provide grants that will help equip social enterprises to deliver sustainability services, such as waste recycling and home energy-efficiency retrofitting. 	<ul style="list-style-type: none"> + Retrofitted 1,961 homes in regional and Melbourne metropolitan areas, saving each household an average \$139 per annum on energy bills. + Supported community groups and local governments to implement 11 projects that provided sustainability education and support in cutting energy bills and improving home comfort (see case study: <i>Recycling for the future</i> opposite). + Provided environmental audits to more than 140 homes operated by community housing organisations, to help low-income tenants reduce their energy and water bills. <p>Completed a pilot project to assess the potential to improve energy and water efficiency in registered rooming houses.</p> <ul style="list-style-type: none"> + Commenced research to profile Victoria's social enterprises.
New homes	<p>To improve new housing sustainability, and give direct support to householders rebuilding after the Black Saturday bushfires, we will:</p> <ul style="list-style-type: none"> + help people rebuilding after the fires make their new homes sustainable + support FirstRate5 software to rate new homes + encourage the uptake of smaller, sustainable new homes + finalise the transition of House Energy Rater Accreditation to relevant industry groups. 	<ul style="list-style-type: none"> + Completed support to bushfire victims rebuilding their homes, by distributing the Sustainable Rebuilding Ideas guide and providing house design consultations. + Continued to support the FirstRate5 software to enable the accreditation of new homes. First Rate 5 was successfully re-accredited against the National House Energy Rating standard. + Engaged with VicUrban on drivers for small homes in the Habitat 21 project at Dandenong that is being incorporated into an online tool to demonstrate the principles and advantages of a more sustainable small home. + Transitioned House Energy Rater Accreditation to the Building Designers Association of Victoria (BDAV). All raters were successfully transferred to either BDAV or the Association of Building Sustainability Assessors, which provides accreditation under a national scheme. This accreditation had previously been undertaken by SV, but was no longer consistent with the organisation's strategic and business plans.

³ Only three solar hot water rebates were provided, due to the low level of demand from people rebuilding after the 2009 Black Saturday bushfires.

Case study: Right Advice at the Right Place

Household appliances account for 61% of GHG emissions for a typical Victorian household, and research indicates that energy and water efficiency play a significant role in purchase decisions. The Right Advice at the Right Place program provides information about how buying energy and water-efficient products helps save money and reduce GHG emissions. The program operates in more than 350 stores, where over one million Victorians purchase appliances, hardware and lighting products.

Our retail partners include Retravisson, E & S Trading, Myer, Warehouse Sales, Betta Electrical, Beacon Lighting, Bunnings, Dahlsens, Mitre 10, Camberwell Electrics, The Good Guys and Harvey Norman. Over 94% of participating retailers are highly satisfied with the program and believe it adds value. Right Advice at the Right Place equips retailers with information to provide to their customers by:

- training sales staff to advise customers about the energy and water efficiency of the appliances available in-store, which includes the expected cost savings associated with purchasing energy and water efficient products

- providing operating cost calculators to assist in advising customers about the running costs of appliances over time, and
- providing brochures for customers showing the GHG and water savings made by choosing higher efficiency products.

From April 2010 to April 2011, sales of energy and water-efficient appliances in Victoria increased above national averages. Comparing the 12 months to April 2010 with the 12 months to April 2011, the sale of energy-efficient air conditioners in Victoria increased by 18%, compared to 16% elsewhere in Australia.

A household purchasing an energy-efficient appliance has typically saved up to 30% on running costs with every extra star – saving households money on energy and water bills, as well as reducing household GHG emissions and water usage.

The success of Right Advice at the Right Place has led other states to launch similar programs. To support other states, we are driving an initiative to develop a common suite of training materials for use by retail staff nationally.

Case study: Recycling for the future

Public housing residents are often disadvantaged when implementing large-scale recycling because of a lack of recycling infrastructure or because language barriers make recycling more difficult.

Wingate Avenue Community Centre and Moonee Valley City Council committed to engaging with the culturally and linguistic diverse community to pilot engagement and communications strategies in a model for replication. Financial support from the Sustainability Fund Round 4 helped trial a recycling and education program on the Public Housing Estate.

The Wingate Avenue Community Centre managed the program, hiring a project officer to work with local community leaders, the Office of Housing and Moonee Valley City Council.

As part of the project, the council designed new recycling crates, tailored to the three-level walk-up flats on the estate. It also printed recycling information in seven of the most commonly spoken languages on the estate.

Volunteers door-knocked the trial area to deliver crates and information, and the council installed recycling bins, so householders could easily empty their crates. The education strategy included field trips for residents to

emphasise environmental care and reduction in waste sent to landfill.

Weekly audits of the new recycling bins measured contamination levels, which then informed further education on the most common recycling errors. As a result, contamination rates were significantly lower in the trial group, compared to the wider council area.

Residents officially launched the project by challenging local members of parliament and the council to a recycling race. And the trial has prompted residents not included in the project to carry their recycling from other parts of the estate to the council's new bins.

The trial has shown that future progress depends upon:

- tailoring solutions to meet community needs
- establishing partnerships with state government, local government and community organisations
- engaging diverse communities in a way that recognises their capabilities.

As a result of the trial's success, Moonee Valley City Council is now distributing recycling crates and education materials to other public housing estates within the municipality.

Case study: On-Ground Assessment Project

There are currently more than two million houses in Victoria. This number is growing by 30,000 to 35,000 each year. As of May 2011, the building code required all new houses to be built to a 6Star House Energy Rating, building on the 5Star rating requirement introduced in July 2005. New house owners are therefore ensured of a house with an efficient building shell, with improved thermal comfort and potentially reduced heating and cooling costs, compared to the average home of the same size.

There is little known of the energy efficiency of houses built prior to the introduction of the building energy efficiency standards in 2005, despite these older houses making up the bulk of Victoria's current housing stock. We are establishing a baseline understanding of the energy efficiency status of the existing housing stock as well as the costs and benefits of upgrading the energy efficiency of these older houses.

We commissioned the Moreland Energy Foundation to undertake the On-Ground Assessment Project, which assessed the energy efficiency of 15 houses before and after upgrades in 2009 via a modeling study. In 2010–11, an additional 30 houses were assessed.

The assessment involved collecting detailed data about the design and construction of the houses as well as about lighting and appliances. A unique feature of the project is that 'blower door' tests were conducted to

measure the air leakage rate of each house. Results were taken into consideration when determining their House Energy Rating (HER), using the thermal modeling tool FirstRate5.

The study illustrated a clear trend towards increasing efficiency: the average HER of all houses included in the study was 1.7 Stars, with houses constructed prior to 1990 having an average of 1.5 Stars, and houses constructed after 1990 having an average of 3.2 Stars. Mandatory insulation standards introduced in 1991 account for the increased efficiency in more recent times.

As part of the study, the practicality and impact of a range of upgrades to the building shell, lighting and common appliances were assessed. The application of a basic building shell upgrade package increases the average HER to 2.8 Stars, and the application of a full upgrade package increases the average rating to 5.0 Stars.

The final report on the project will be released later in 2011, and will provide a detailed analysis of the building shell, lighting and appliance upgrades, including the relative cost-effectiveness of the different upgrades modeled in the study. The findings will be the first detailed analysis of the potential to upgrade the energy efficiency of the existing building stock, based on detailed data collected from actual houses.

Case study: Detox Your Home chemical collections

Over 8,000 householders disposed of unwanted household chemicals via either the Detox Your Home mobile collections or permanent facilities in 2010–11. The program collected over 960 tonnes of harmful chemicals, diverting them from landfill and protecting Victoria's waterways.

The mobile collection service has been in place since 1994, and continues to attract new users: over half of the attendees at mobile collections used the service for the first time.

The mobile service is run by professional operators, including trained chemists, who can deal with a wide range of chemicals, including paints, solvents and pesticides.

Typical reasons for using the service include:

- cleaning up or moving house; for example, 30 paint

cans dropped off by one householder at a mobile collection in June 2011

- protecting children and pets from poisoning; for example, 300 grams of strychnine dropped off at a Bendigo collection in March 2011
- doing the right thing for the environment; for example, 150 kilos of pesticides dropped off at a Shepparton collection in November 2010

In addition to these mobile collections, householders have ongoing access to permanent sites where they can dispose of the more common household chemicals and items including paint, batteries and fluorescent tubes. The network of permanent Detox Your Home sites collected over 690 tonnes, an increase of 13% over the previous year. One single Detox Your Home facility at Monash collected over 145 tonnes of such chemicals in the 2010–11 financial year.

Government

Local and state government are critical to the promotion and adoption of sustainable practices. In 2010–11, we continued to work with other government bodies to improve their environmental performance and to embed sustainable practices into core business. We continued to provide advice that informs energy-efficient policy within Victoria and nationally.

Our objective was to **encourage all levels of government to lead by example**.

To achieve this objective we set out to:

- + influence government policy
- + increase government's adoption of sustainable practices
- + incorporate sustainability into government programs.

In doing this, we planned to achieve the environmental outcomes in Table 13.

Table 13: Environmental outcomes achieved in our government programs

Environmental outcome	What we said	What we did
Energy saved (MWh)	2,467,000	2,470,000
Greenhouse gas abated (tonnes) ¹	2,800,000	2,820,000

¹ Independent verification of our GHG abatement calculations is in Appendix 2.

What we said we would do and our performance in 2010–11 for our Government programs is outlined in Table 14.

Table 14: Our government programs

Program	What we said we would do	Our performance
Local government support	<p>To support local governments to embrace leading sustainable practices in their operations and core business delivery, we will:</p> <ul style="list-style-type: none"> + measure the efficiency and effectiveness of Victoria's 79 local governments' kerbside services to their residents, and publish findings in the Victorian Local Government Annual Survey + engage local governments through the Sustainability in Local Government's project to measure, manage and improve environmental performance, and embed sustainability into decision-making by facilitating knowledge sharing. 	<ul style="list-style-type: none"> + Published the Victorian Local Government Annual Survey 2009, and reported key findings to Regional and Metropolitan Waste Management Groups and their member councils. + Provided 79 local governments with tools and up-to-date information in order to learn from local and international sustainability experiences. This included hosting five forums, providing the Utility Tracker and the Best Practice Tracker tool to measure and benchmark performance, and launching the 5StarSustainability self-assessment tool to enable councils to measure their sustainability performance.
Energy efficiency policy support	<p>To give evidenced-based advice to encourage government sustainability policy development, we will:</p> <ul style="list-style-type: none"> + participate in national and Victorian Government processes for energy-efficiency policy development, drawing on our research and project learnings 	<ul style="list-style-type: none"> + Represented Victoria at a national level on the Energy Efficiency Working Group and various National Framework for Energy Efficiency (NFEI) implementation committees. <p>Provided technical advice to the Department of Primary Industries and the Essential Services Commission on the Victorian Energy Efficiency Target (VEET) Scheme.</p>

Table 14: Our programs with government (continued)

Program	What we said we would do	Our performance
	<ul style="list-style-type: none"> + expand and improve Minimum Energy Performance Standards through our involvement with the national Equipment Energy Efficiency Program, including the management of projects related to industrial equipment and gas-ducted heaters + identify practical household energy-efficiency actions, and measure the impact and cost-effectiveness of these actions. 	<ul style="list-style-type: none"> + Enhanced Minimum Energy Performance Standards, by sitting on the national Equipment Energy Efficiency Committee. Key outcomes included completion of: <ul style="list-style-type: none"> • a discussion paper on industrial equipment strategy • a product profile on gas-ducted heaters • a report on Test Standard Development for gas-ducted heaters • product profiles on non-domestic fans and non-domestic pumps. + Conducted strategic research on energy efficiency opportunities in the residential sector, including: <ul style="list-style-type: none"> • 30 houses in an expanded on-ground assessment project for energy efficiency (see case study <i>On-Ground Assessment Project</i> on page 32) • electricity end-use data from 10 houses • eight air-sealing and eight halogen-lighting retrofits to existing houses • trialling the Lab Test for Standby Power Controllers, to support the roll-out of these products under the VEET Scheme.
Resource recovery – government	<p>To help local government and Regional Waste Management Groups (RWMGs) implement resource recovery, we will:</p> <ul style="list-style-type: none"> + monitor performance against <i>Towards Zero Waste</i> (TZW) targets and actions to guide policy and project development + work with RWMGs to implement the outcomes of the Review of RWMGs. 	<ul style="list-style-type: none"> + Provided Regional Waste Management Groups with specific regional performance data against their TZW targets. <p>Provided assistance and guidance on priorities to support the RWMGs in developing their business plans.</p> <ul style="list-style-type: none"> + This was put on hold and was not progressed.
Supporting government leadership	<p>To help state government organisations embrace and evaluate leading sustainable practices in their operations and core business delivery, we will:</p> <ul style="list-style-type: none"> + encourage organisations in the Sustainability across Government project to continue to develop and implement Environmental Management Systems (EMSs) that guide action, decision-making and environmental reporting + encourage healthcare organisations to develop EMSs as part of the Sustainability in Healthcare project, including actions across all operational areas, measuring environmental outcomes and identifying links between sustainability and health promotion + help tertiary institutions implement EMSs as part of the Sustainability in Tertiary Education project, including measuring environmental outcomes and working with institutes and peak bodies to develop a strategy for the implementation of Education for Sustainability principles into teaching, learning, curriculum and research. 	<ul style="list-style-type: none"> + Supported 90 government agencies to improve sustainability by ongoing development and implementation of EMSs (see case study: <i>Melbourne Zoo switches on to solar</i> opposite). <p>Launched 5StarSustainability for Government, which measures each organisation's sustainability progress. Forty eight government bodies registered, and three received certification.</p> <ul style="list-style-type: none"> + Trained 30 public and community health care organisations to develop EMSs, completing the initial roll-out of the Victoria-wide Sustainability in Healthcare program. Four public health services received additional coaching. <p>Helped Health Purchasing Victoria analyse the impact of public healthcare expenditure and identify high-impact areas.</p> <p>Finalised a research paper identifying links between health promotion and sustainability.</p> <ul style="list-style-type: none"> + Provided training and coaching to help 22 tertiary organisations develop an EMS.

Case study: **Melbourne Zoo switches on to solar**

Melbourne Zoo has a unique opportunity to communicate sustainable choices to its 1.2 million visitors annually as well as to reduce its own environmental impacts. To do this, the Zoo established a wide-ranging Environmental Management System (EMS) that encompasses its direct and indirect environmental impacts. As a participant in our ResourceSmart program, the Zoo is constantly refining its complex EMS, and changes at the gift shop are an excellent example of the work underway right across the facility.

The gift shop, which receives 60,000 visitors annually and supports the Zoo's education function, previously used inefficient lighting. The Zoo successfully applied for a SV Energy, Waste and Waste grant, receiving \$5,000 to help install more efficient lights (T5 fluorescents and LEDs). It also installed a 4 kW roof-mounted photovoltaic (PV) solar energy system, monitored by a LCD display panel in the Zoo Shop.

The PV system now powers the lighting and generates surplus electricity, and the LCD display panel, installed

behind the main counter, details the system's real-time power output.

The Zoo's commercial manager, Robyn Graffidge, said the solar panels had become a talking point for zoo customers.

'Lots of visitors see the panels, and often want to know what they are for,' she said. 'It has become a good way for staff to engage with Zoo customers, to talk about our environmental work.'

Although the Zoo has worked through a range of issues to complete the project, the lessons are being shared across the community and with other government agencies.

The Zoo is winning recognition for its growing conservation capabilities and environmental practices. It employs almost 200 full-time staff to maintain the 55-acre property and care for the more than 320 animal species.

Case study: **Recycling for better road construction**

In 2009–10, we undertook laboratory research that demonstrated how recycled crushed glass, brick and concrete could be used as a replacement for quarried rock in road base. Subsequently in 2010–11, our Recycled Roads to Zero Waste project sought to change the business-as-usual model for road construction, by supporting the use of recycled material on a real-world scale. Working with the Municipal Association of Victoria, we sought interest from councils, and developed five demonstration sites in four councils across Victoria. One such site is located 100 kilometres south-west of Melbourne.

The Esplanade coastal road in Torquay required widening and reconstruction as part of the Whites Beach master plan. Before beginning work, the Surf Coast Shire searched for approved recycled materials as an alternative to the traditional specification of quarried crushed rock in the sub-base section of the road.

The shire dismissed the first option, a glass blend of material being trialled in other demonstration sites around Melbourne, because the lack of local supply meant haulage from Melbourne would substantially increase emissions and cartage costs.

The shire worked with a local supplier, Regional Recycle, to source 1,600 tonnes of 100% recycled concrete.

However, demand exceeded supply, clearing Regional Recycle's stockpile of 960 tonnes, so quarried rock was brought in to make up the balance. Cartage costs were reduced by 22%, and recycled concrete replaced quarried rock. As recent industry studies show, recycled concrete has up to a 65% smaller carbon footprint.

Reports from the construction site indicated the crushed concrete behaved as required in application. As a result, the shire is committed to using 100% recycled concrete as an alternative class 3 sub-base material for road construction.

Surf Coast Shire is now working with the local waste management group to ensure that supply can meet future demand. Options include increased diversion from landfill and reduced volumes sent to Melbourne for processing.

These steps will improve the local region's market for recycled material, and will become part of a broader approach that can be replicated in other regional centres.

Part 6

Our foundation

To ensure we delivered on our commitments to Victorian business, community, households and government in 2010–11, we focused on improving our governance arrangements, internal services and supporting our people.

What we said we would do and our performance in 2010–11 in our various programs – Finance and governance; Knowledge, systems and services; Communications; and People – is outlined in Table 15.

Table 15: Our foundation programs

Program	What we said we would do	Our performance
Finance and governance	<p>To meet financial and governance obligations to maintain and improve our performance, we will:</p> <ul style="list-style-type: none"> + produce timely and accurate financial and organisational reporting with sound systems and governance, and comply with relevant legislation and requirements of the Public Records Office in creating, keeping and disposing of records 	<ul style="list-style-type: none"> + Delivered financial and organisational reporting accurately and on time. <p>Managed all legal issues effectively, particularly in the areas of contract, intellectual property, governance and regulation.</p> <p>Improved our systems and governance by:</p> <ul style="list-style-type: none"> • releasing an unqualified VAGO report for the 2009–10 financial statements and developing and implementing an internal audit plan for the first half of calendar year 2011 • developing an integrated Risk Management Framework document for implementation in 2011–12 • complying with relevant legislation and Public Records Office Victoria (PROV) requirements, by training staff in new PROV standards and advising new staff of their responsibilities • producing a draft Retention and Disposal Authority for our records.
Knowledge, systems and services	<p>To give our staff knowledge management, business information systems and facilities to improve performance, we will:</p> <ul style="list-style-type: none"> + develop and maintain robust data storage for organisational information, and provide reliable data for reporting purposes + maintain ISO14001 certification for our Environmental Management System (EMS) + publish key reports, including the 2010 Green Light Report, the Victorian Litter Report and the Victorian Recycling Industry Annual Survey + implement various initiatives, including lessons learnt, mapping staff expertise and priority research, to enhance knowledge sharing + improve our business systems. 	<ul style="list-style-type: none"> + Continued work on data storage and management and server-virtualisation projects and improved our business systems via external and internal security audits. + Maintained certification of our EMS to ISO14001. + Published the statewide 2010 Green Light Report, the 2009 Victorian Litter Report and the 2009–10 Victorian Recycling Industry Annual Survey. + Completed 15 lessons learnt on a range of projects. Mapped staff expertise across two core areas of the organisation and shared the relevant findings with the EPA. + Strengthened our ICT governance, using external and internal review processes. Established a Business Systems Steering Committee which oversaw the development of a revised gateway process.

Table 15: Our foundation programs (continued)

Program	What we said we would do	Our performance
Communications	<ul style="list-style-type: none"> ✦ We will use various communication channels to encourage our stakeholders to build sustainability into everything they do. We will expand our information and advisory services to include a new website and a mobile shop front. ✦ We will deliver the Premier's Sustainability Awards and the Keep Australia Beautiful Victoria Awards to recognise and reward best practice. ✦ We will increase ties with regional Victoria through our program of regional road shows. 	<ul style="list-style-type: none"> ✦ Spoke to almost 15,000 people. Over 870,000 visits to the ResourceSmart website and 750,000 visits to the SV website this year. The new SV website and mobile shop front were not progressed. ✦ Held the 2011 Premier's Sustainability Award on 9 June 2011. See Appendix 3 for more information about the awards and the winners. Held the Tidy Towns – Sustainable Communities Awards and the Sustainable Cities and Clean Beaches Awards. ✦ Conducted a regional road show in the Mildura area in September 2010. A planned road show for Warrnambool was put on hold pending the outcomes of the SV review.
People	<p>To retain and attract high quality dedicated staff, we will:</p> <ul style="list-style-type: none"> ✦ ensure that recruitment is aligned to organisational values and requirements ✦ undertake staff development based on organisational needs ✦ implement appropriate succession planning ✦ continue our focus on employee development through initiatives such as the Tom O'Neill Fellowship ✦ deliver leadership and management skills ✦ improve our culture and organisational effectiveness. ✦ adhere to Occupational Health and Safety (OH&S) legislation and best practice for employees' health, safety and welfare 	<ul style="list-style-type: none"> ✦ Implemented initiatives to educate our managers on how to select the best candidates and how to induct new recruits in line with our organisational values. ✦ Implemented organisation-wide training programs including: <ul style="list-style-type: none"> • Contract Scope writing • LEAN Thinking • Business Planning • Equal Opportunity Training. ✦ Identified strategies to manage the risk of vacancies in critical roles. ✦ Awarded the second annual Tom O'Neill Fellowship. ✦ Delivered leadership and management skills across the organisation: <ul style="list-style-type: none"> • all managers completed a Diploma of Management through the Australian Institute of Management • 12 staff completed the Leadership Program which offered professional development for leaders and aspiring leaders. • 3 staff members participated in other leadership programs ✦ Embedded culture improvement activities in our normal work practices. As a result, a pulse check in December 2010 indicated a positive shift in organisational culture and resulted in a positive effect on staff retention. Staff turnover was at 10.7% which represents the lowest recorded turnover at Sustainability Victoria and a decrease of 22.5% since last financial year. ✦ Complied with all legislative requirements for OH&S, and completed all actions that arose from an AS-NZS4801 desktop audit.

Our people

Our success depends on attracting, engaging and retaining skilled employees. Our People program focuses on retaining and attracting high-quality dedicated staff. Our employees' professional skills include corporate planning, engineering, architecture, environmental science, information management, marketing and communications, public policy, business and accounting, education, finance, human resources, and the arts.

Our workforce

In 2010–11, we employed 143 Full-Time Equivalent (FTE) staff, compared with 137.8 FTE in 2009–10. See Appendix 5 for data on workforce composition and average salaries by gender and Victorian Public Service (VPS) classification.

Our Executive Officers

An Executive Officer (EO) is a person employed as a head or other executive under Part 3, Division 5 of the *Public Administration Act 2004*.

We employed six EOs in 2010–11. Responsible for ongoing functions or outputs, all executive positions are classified as ongoing. See Appendix 6 for details of our EO positions by gender.

Creating a safe workplace

Sustainability Victoria is committed to a safe and risk-free work environment. We have implemented comprehensive OH&S policies. Manager and employee OH&S responsibilities are a key performance indicator in individual performance plans.

In 2010–11, we made improvements to the Occupational Health and Safety Management System to meet and exceed best practice principles based on the AS/NZS 4801:2001 standard. Our OH&S Working Group implemented the annual OH&S plan, incorporating monthly safety themes to increase involvement in health and safety.

We also promoted general health and wellbeing. Employees participated regularly in the Wellbeing Program, using incentives like flexible work hours, free and confidential professional counselling for work and personal issues, health and fitness activity subsidies, skin checks, flu vaccinations, and working parent wellbeing workshops.

See Appendix 7 for our OH&S Statement and Appendix 8 for key 2010–11 OH&S outcomes.

In 2010–11, we recorded:

- + no days lost to industrial action
- + three formal written complaints
- + no equal opportunity, bullying or harassment complaints
- + zero days of lost time injury
- + no WorkCover claims
- + absenteeism (average days lost) of 6.28 days per employee
- + an average of 18.5 training hours per employee
- + a staff turnover reduction to 10.7% (from 13.8% in 2009–10).

Public administration values and employment principles

Our employees can be union members. The Victorian Public Service Agreement (except Executive Officers) and the VPS Code of Conduct govern their employment terms and conditions. The VPS Agreement documents hours of work, competency levels, rates of pay and annual pay increases, leave requirements, and disciplinary and grievance procedures.

The Government Sector Executive Remuneration Panel governs executive conditions, as outlined in the State Services Authority's standard executive contract and handbook.

Employee concerns are dealt with promptly and fairly, consistent with the VPS merit and equity principles. Importantly, no days were lost to industrial action in 2010–11. Three formal written complaints were lodged, compared to two in 2009–10.

We are committed to a workplace free of harassment, discrimination and bullying. Our people management systems and procedures ensure we meet the *Public Administration Act 2004* merit and equity standards and principles. Policy reviews were completed in 2010–11, and will continue in 2011–12 so we can maintain these standards and principles.

Our employment decisions are based strictly on merit, including recruitment, remuneration and access to promotion, and training and development opportunities.

Employees can register complaints through our grievance procedures. They can also access external protection under the provisions of the *Whistleblowers Protection Act 2001* (see Appendix 10 for our Whistleblowing Policy).

Part 7

Summary of Financial Performance

Financial Performance and Position summary (\$'000)

	2011	2010	2009	2008	2007
Revenue from Government	16,910	37,104	53,512	21,559	16,047
Other revenue	26,726	28,199	25,198	26,875	24,483
Total income	43,636	65,303	78,710	48,434	40,530
Total expenses	52,749	60,947	78,905	43,797	38,591
Net result for the period	(9,113)	4,356	(195)	4,637	1,939
Net cash from operating activities	(107)	15,919	(13,658)	3,403	(1,183)
Total assets	28,794	37,970	37,073	33,189	27,796
Total liabilities	5,555	5,618	9,077	4,998	4,243

Significant Changes in Financial Performance and Position During the Year and Subsequent Events

The reduction in revenue (\$21.7m) was due to reduced funding from Government and a review of Government priorities, leading to a number of programs being put on hold. The reduction in expenditure (\$8.2m) was due largely to reduced program activity due to programs being put on hold.

A review was announced in May 2011 to consider Sustainability Victoria's strategic direction and its future alignment to Government policy. The review is due for completion in August 2011 following which the Board will develop a five-year strategic plan for the organisation, which may significantly affect operations in subsequent years.

There have been no events subsequent to the balance date of 30 June 2011, which may significantly affect operations in subsequent years.

Major contracts

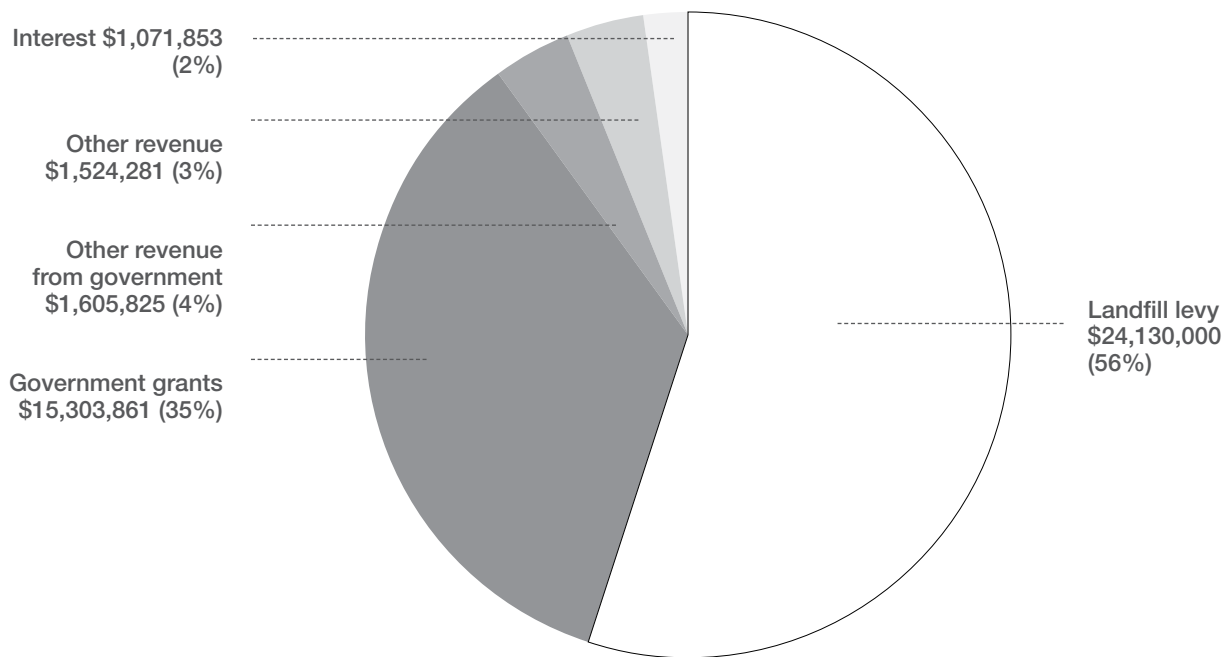
Sustainability Victoria did not enter into any contracts greater than \$10 million in value during the reporting period.

Information available on request

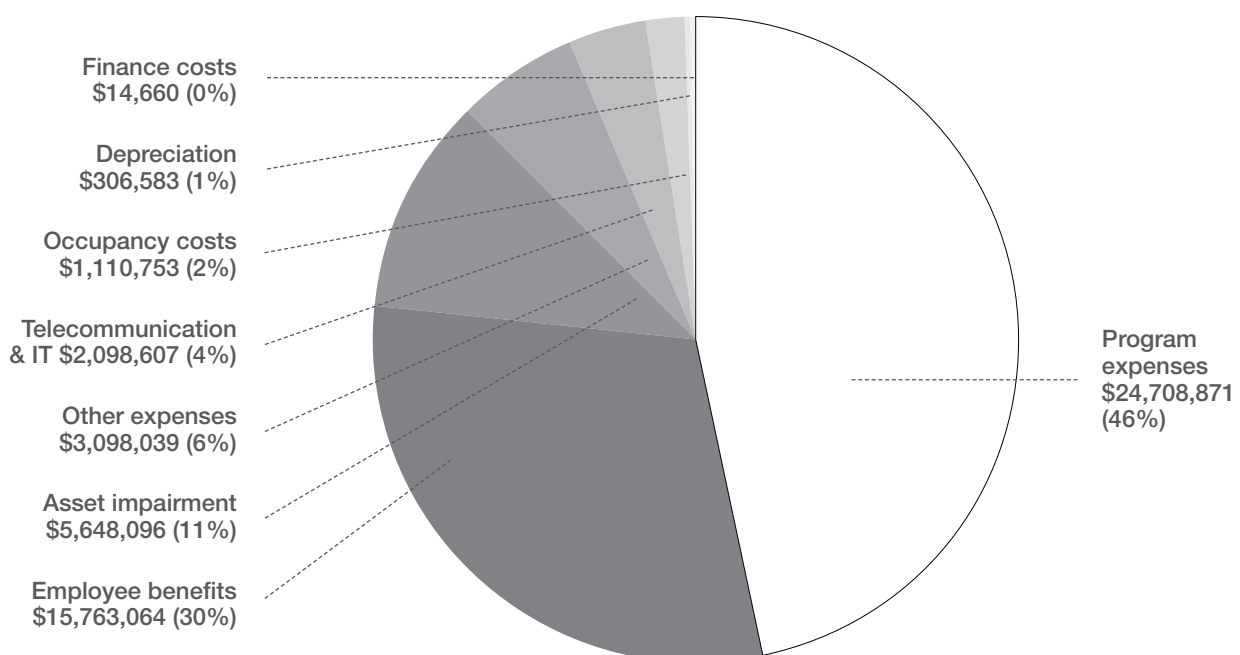
Information relevant to the headings listed in Financial Reporting Direction 22B of the *Financial Management Act (1994)* is held at SV's office and is available on request, subject to the *Freedom of Information Act (1992)*.

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 2011



Sustainability Victoria Expenditure 2011



Consultancy engagements in excess of \$100,000

There were Nil consultancies costing in excess of \$100,000 for the year ended 30 June 2011.

There were 5 consultancies engaged during the year that cost less than \$100,000 each, at a total cost of \$120,574.

Carry forward from previous year:

Consultant	Particulars of consultancy	Total fees (\$)	Expenditure this year (\$)	Future commitments (\$)
Hyder Consulting Pty Ltd	Analysis of options to meet the 2013–14 Towards Zero Waste targets.	162,340	11,813	–
Wallis Consulting Group	Develop a targeted behaviour change strategy to increase householder recycling rates of recyclable packaging across metropolitan Melbourne.	126,615	19,613	–
The Social Research Centre	Community attitudes and behaviours research about environmental sustainability.	610,407	12,208	–

Part 8

Annual Financial Statements

Comprehensive Operating Statement
For the financial year ended 30 June 2011

	Notes	2011 \$	2010 \$
Income from transactions			
Landfill levy	3	24,130,000	22,000,761
Government grants	3	15,303,861	34,892,401
Other income from government	3	1,605,825	2,211,401
Interest	3	1,071,853	817,857
Other income	3	1,524,281	5,373,869
Total income from transactions		43,635,820	65,296,289
Expenses from transactions			
Program expenses	4 (a)	(24,708,871)	(39,605,361)
Employee benefits	4 (b)	(15,577,114)	(14,066,586)
Asset impairment	6	(5,648,096)	–
Depreciation	7	(306,583)	(279,769)
Occupancy costs		(1,110,753)	(1,029,901)
Telecommunication & IT		(2,098,607)	(2,308,410)
Finance costs		(14,660)	(9,734)
Other expenses		(3,096,077)	(3,465,726)
Total expenses from transactions		(52,560,761)	(60,765,487)
Net result from transactions (net operating balance)		(8,924,941)	4,530,802
Other economic flows included in net result			
Gain/(loss) on disposal of assets	4 (c)	(1,962)	6,813
Gain/(loss) arising from revaluation of LSL liability		(185,950)	(181,226)
Total other economic flows included in net result		(187,912)	(174,413)
Comprehensive result		(9,112,853)	4,356,389

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

Balance Sheet

As at 30 June 2011

	Notes	2011 \$	2010 \$
Assets			
Financial assets			
Cash & cash equivalents	5	19,392,378	19,820,921
Receivables	6	6,490,808	15,243,545
Total financial assets		25,883,186	35,064,466
Non-financial assets			
Property, plant & equipment	7	619,750	525,904
Prepayments	8	455	88,823
Intangibles	9	2,290,803	2,290,803
Total non-financial assets		2,911,008	2,905,530
Total assets		28,794,194	37,969,996
Liabilities			
Payables	10	2,387,821	3,210,012
Provisions	11	2,571,363	2,239,623
Borrowings	12	286,566	38,652
Unearned revenue	13	309,000	129,412
Total liabilities		5,554,750	5,617,699
Net assets		23,239,444	32,352,297
Equity			
Contributed capital		26,048,806	26,048,806
Accumulated (deficit)/surplus		(2,809,362)	6,303,491
Total equity		23,239,444	32,352,297

As at 30 June 2011, \$12.8 million was committed in contracts and payable upon the successful delivery of milestones in 2011-12 and beyond (2010 \$20.0 million) – see Note 18.

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 2011

	Notes	Accumulated Surplus/ (Deficit)	Contributions by Owner	Total
Balance at 1 July 2009		1,947,102	26,048,806	27,995,908
Net result for the year		4,356,389	–	4,356,389
Balance at 30 June 2010		6,303,491	26,048,806	32,352,297
Net result for the year		(9,112,853)		(9,112,853)
Balance at 30 June 2011		(2,809,362)	26,048,806	23,239,444

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

Cash Flow Statement

For the financial year ended 30 June 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from government grants		17,499,236	52,170,026
Receipts from government – other		2,281,822	1,890,653
Receipts from landfill levy		24,130,000	21,005,392
Receipts from clients		1,070,264	6,037,049
Interest received		1,145,845	739,862
Goods and Services Tax received from the ATO		4,562,180	4,799,634
Payments to program recipients		(27,654,447)	(44,336,209)
Payments to suppliers and employees		(20,446,060)	(24,001,896)
Goods and Services Tax paid to the ATO		(2,696,108)	(2,385,521)
Net cash flows (used in)/from operating activities	15	(107,268)	15,918,990
Cash flows from investing activities			
Payments for property, plant and equipment	7	(463,769)	(260,470)
Proceeds from disposal of property, plant and equipment		–	21,464
Net cash flows (used in)/ from investing activities		(463,769)	(239,006)
Cash flows from finance activities			
Proceeds from borrowings		142,494	2,595
Net cash flows (used in)/from finance activities		142,494	2,595
Net increase/(decrease) in cash & cash equivalents		(428,543)	15,682,579
Cash & cash equivalents at the beginning of the financial year		19,820,921	4,138,342
Cash & cash equivalents at the end of the financial year	5	19,392,378	19,820,921

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

Part 9

Notes to the Financial Statements

Notes to the Financial Statements for the period ended 30 June 2011

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.

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.

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 2011 and the comparative information presented for the year ended 30 June 2010. No amounts have been reclassified.

Rounding of Amounts

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

1.2 Revenue Recognition

Government grants and program contributions are recognised as revenue when Sustainability Victoria (SV) 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.

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 the accrual amount defined in the *Environment Protection (Distribution of Landfill Levy) Regulations 2011*.

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 Taxation 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. Commitments are disclosed at their nominal value and inclusive of GST payable.

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1.5 Program Expenses

Expenditure incurred for each of the various operating areas of SV has been disclosed in Note 4(a), and includes grants, rebates, advertising campaigns and sponsorships. Grants that form part of program expenditure are taken to account 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 18 of this report.

1.6 Other Economic Flows**(a) Gain or (loss) on disposal of non-financial assets**

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

(b) Long service leave

Gain or (loss) on the revaluation of the present value of the long service leave liability were effected by changes in the bond interest rates.

1.7 Cash & Cash Equivalents

Cash & cash equivalents comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

1.8 Receivables

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

1.9 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 SV is 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%
Computer Equipment	25% – 33.3%
Motor Vehicles	15% – 20%

1.10 Leased Assets**Financial leases**

Leases of property, plant and equipment where SV 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.

1.11 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 SV.

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, SV 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.

1.12 Payables

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

1.13 Employee Benefits**(a) 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.

(b) 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 SV 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 SV does not expect to settle within 12 months; and
- nominal value – component that SV 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 an other economic flow.

(c) 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.

(d) Superannuation

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan, and is based upon actuarial advice.

The Department of Treasury and Finance (DTF), in their Annual Financial Statements, recognise, on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

1.14 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.

1.15 AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2010 reporting period. DTF assesses the impact of these new standards, and has advised on their applicability and early adoption where applicable.

As at 30 June 2011, the following standards and interpretations applicable to SV had been issued but were not mandatory for the financial year ending 30 June 2011. Sustainability Victoria has not yet adopted these standards as mandatory.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning	Impact on authority financial statements
AASB 124 Related party disclosures (Dec 2009)	Government-related entities have been granted partial exemption with certain disclosure requirements	Beginning 1 Jan 2011	Preliminary assessment suggests that impact is insignificant. However, the Authority is still assessing the detailed impact and whether to early adopt
AASB 2009–14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of prepayments of a minimum funding requirement	Beginning 1 Jan 2011	Expected to have no significant impact
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial instruments: recognition and measurement (AASB 139 financial Instruments: recognition and measurement)	Beginning 1 Jan 2013	Detail of impact is still being assessed
AASB 2009–11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038, and Interpretations 10 and 12].	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed

2 Financial Risk Management Objectives and Policies

The SV Board (Responsible Body) has ultimate responsibility for ensuring that in achieving business objectives, SV 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 17 and 24.

Financial assets and financial liabilities are disclosed in Note 24 – 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).

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.

	Carrying Amount \$	Interest Rate Risk			
		-0.5%		+0.5%	
		Result \$	Equity \$	Result \$	Equity \$
30 June 2011					
Financial Assets					
Cash and Cash Equivalents	19,392,378	(96,962)	(96,962)	96,962	96,962
30 June 2010					
Financial Assets					
Cash and Cash Equivalents	19,820,921	(99,105)	(99,105)	99,105	99,105

2.2 Liquidity Risk

Liquidity risk arises when SV 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 13 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.

2.3 Credit Risk

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

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

3 Income from Transactions

Income/revenue by source	2011 \$	2010 \$
Landfill Levy	24,130,000	22,000,761
Government Grants		
State Government departments and agencies:		
Annual appropriation	6,858,861	6,979,401
Environmental Sustainability Action Statement	–	1,900,000
Sustainability Fund grants to Sustainability Victoria	6,595,000	5,085,000
Expenditure Review Committee Initiatives Funding	1,850,000	20,928,000
Total Government Grants	15,303,861	34,892,401
Other Income from Government		
Australian Government – Renewable Remote Power Generation Program	–	152,644
Bushfire Affected Households	250,160	98,400
Distributed Generation and Smart Grids	55,000	–
E2WG Central Fund - National Framework for Energy Efficiency Program	42,360	328,950
Government Leadership Projects	200,000	216,060
Greenlight Report	10,500	178,387
New Homes Performance	25,000	–
Non-Metro Regional Waste Gap Funding	–	220,500
Resource Smart Schools	–	85,000
Sustainability Fund - management fee	706,565	731,460
Sustainability in Tertiary Education	16,240	–
Victorian Property Fund	300,000	200,000
Total Other Income from Government	1,605,825	2,211,401
Interest	1,071,853	817,857
Other Income		
FirstRate Accreditation (inc. Software)	95,662	321,599
Sale of Victorian Energy Efficiency Certificates (VEECs)	23,389	4,149,502
Program contributions	1,405,230	902,768
Total Other Income	1,524,281	5,373,869
Total Income from Transactions	43,635,820	65,296,289

4 (a) Program Expenses

	2011 \$	2010 \$
Households [#]	7,026,401	17,521,870
Community	2,959,243	2,605,603
Environs & Government Support	4,069,385	5,063,890
Business & Industry	8,810,337	11,383,350
Communications & Marketing	1,843,505	3,030,648
Total Program Expenses	24,708,871	39,605,361

[#] The 2010–11 figure includes a reduction in expenditure for the Solar Hot Water Rebate Program of approximately \$8.4m.

4 (b) Employee Benefits

	2011 \$	2010 \$
Salaries, Wages & Allowances	13,351,780	12,038,120
Employer Superannuation	1,152,084	1,059,641
On-Costs	1,073,250	968,825
Total Employee Benefits	15,577,114	14,066,586

4 (c) Net Profit/(Loss) on Disposal of Assets

	2011 \$	2010 \$
Property, Plant & Equipment	(1,962)	6,813
Total Net Profit/Loss	(1,962)	6,813

5 Cash and Cash Equivalents

	2011 \$	2010 \$
Cash at Bank	435,301	188,844
Cash on Hand	1,700	1,700
Short Term Deposits	18,955,377	19,630,377
Total	19,392,378	19,820,921

6 Receivables

	2011 \$	2010 \$
Current Receivables		
Contractual		
Trade Debtors	996,362	2,316,909
Other Debtors	20,420	27,165
Accrued Interest	40,896	114,888
Total Contractual	1,057,678	2,458,962
Statutory		
Trade Debtors	–	1,535,875
GST Receivable	241,270	408,752
Accrued Landfill Levy	5,191,860	10,839,956
Total Statutory	5,433,130	12,784,583
Total Current Receivables	6,490,808	15,243,545

Due to changes to the Distribution Regulations in early 2011, SV is entitled to accrue one quarter of the following year's landfill levy at 30 June 2011 compared to the previous accruals at 30 June each year, which were based on estimates provided by the Environment Protection Authority. This change results in the recognition of a one-off impairment in the Receivables Asset (Accrued Landfill Levy) of \$5,648,096 at 30 June 2010, which is included in the Comprehensive Operating Statement for the year ended 30 June 2011.

7 Property, Plant & Equipment

	2011 \$	2010 \$
Office Furniture & Equipment		
At Fair Value	506,116	421,698
Less: Accumulated Depreciation	(371,311)	(303,971)
	134,805	117,727
Computer Equipment		
At Fair Value	846,809	784,827
Less: Accumulated Depreciation	(644,531)	(505,230)
	202,278	279,597
Motor Vehicles – Leased		
At Fair Value	373,447	208,895
Less: Accumulated Depreciation	(90,780)	(80,315)
	282,667	128,580
Summary		
	619,750	525,904

Reconciliations

	Office Furniture & Equipment	Computer Equipment	Motor Vehicles Owned	Motor Vehicles Leased	Total
Carrying Amount 2011	\$	\$	\$	\$	\$
Opening Balance	117,727	279,597	–	128,580	525,904
Additions	84,418	76,209	–	303,142	463,769
Depreciation	(67,340)	(151,566)	–	(87,677)	(306,583)
Disposals	–	(1,962)	–	(61,378)	(63,340)
Closing Balance	134,805	202,278	–	282,667	619,750
Carrying Amount 2010	\$	\$	\$	\$	\$
Opening Balance	150,945	297,398	16,035	114,700	579,078
Additions	18,028	172,139	–	70,303	260,470
Depreciation	(51,246)	(189,208)	(2,117)	(37,198)	(279,769)
Disposals	–	(732)	(13,918)	(19,225)	(33,875)
Closing Balance	117,727	279,597	–	128,580	525,904

8 Prepayments

	2011 \$	2010 \$
Prepaid Expenses	455	88,823

As at 30 June 2011, prepayments were car parking (2010 prepayments were rent and car parking).

9 Intangibles

Intangibles are valued at fair value and reviewed each period for impairment.

	2011 \$	2010 \$
Renewable Energy Certificates		
Opening Balance as at 1 July	2,290,803	2,290,803
Disposals	–	–
Closing Balance as at 30 June	2,290,803	2,290,803

10 Payables

	2011 \$	2010 \$
Contractual		
Trade Creditors	603,538	104,066
Accrued Expenses	1,688,538	3,085,059
	2,292,076	3,189,125
Statutory		
Trade Creditors	–	–
Accrued Expenses	95,745	20,887
	95,745	20,887
Total Payables	2,387,821	3,210,012

11 Provisions

	2011 \$	2010 \$
Current		
Annual leave and unconditional long service leave entitlements, representing seven 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	913,551	796,304
Long Service Leave	499,387	481,425
Provisions related to employee benefit on-costs	249,612	219,550
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	460,032	365,176
Provisions related to employee benefit on-costs	76,929	62,193
Total	2,199,511	1,924,648
Non-Current		
Conditional Long Service Leave	318,578	269,138
Provisions related to employee benefit on-costs	53,274	45,837
Total	371,852	314,975
Total Provisions	2,571,363	2,239,623

12 Borrowings

	2011 \$	2010 \$
Current Borrowings		
Lease liabilities	94,410	80,458
Total Current Borrowings	94,410	80,458
Non-Current Borrowings		
Lease liabilities	192,156	48,954
Total Non-Current Borrowings	192,156	48,954
Total Borrowings	286,566	129,412

13 Unearned Revenue

	2011 \$	2010 \$
Program Contributions Billed in Advance	309,000	38,652

14 Superannuation

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

	2011 \$	2010 \$
Defined benefit fund		
Emergency Services and State Super Fund	51,846	50,098
Accumulation funds		
VicSuper	668,291	606,951
Colonial First State Super Fund	27,068	41,677
Vision Super	62,763	27,509
Australian Super	37,126	35,375
Australian Ethical Super Fund	38,823	21,420
UniSuper	36,429	26,744
Various other accumulation funds	229,738	249,867
	1,152,084	1,059,641

Superannuation contributions outstanding at 30 June 2011 were \$Nil (2010: \$Nil).

There are no loans by the superannuation funds to SV.

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

	2011 \$	2010 \$
Net surplus/(deficit) for the year	(9,112,853)	4,356,389
Depreciation	306,583	279,769
Write-down of assets	61,378	19,224
Loss on impairment of asset	5,648,096	—
Finance Lease costs	14,660	9,734
(Gain)/Loss on disposal of assets	1,962	(6,813)
Increase in employee entitlements	331,740	306,864
Decrease in receivables	3,104,641	14,681,926
Decrease in prepayments	88,368	50,388
(Decrease) in payables	(822,191)	(3,817,143)
Increase in unearned revenue	270,348	38,652
Net Cash Inflow/(Outflow) from Operating Activities	(107,268)	15,918,990

16 Operating Lease Commitments

Lease payments for the CBD office accommodation located at Level 28/50 Lonsdale Street is classified as an operating lease, where substantially all the risks and benefits remain with the lessor and are charged as expenses in the periods in which they are incurred. No other operating leases existed at 30 June 2011.

The following commitments have been contracted for by Sustainability Victoria:

	2011 \$	2010 \$
(i) not later than one year	908,478	839,939
(ii) later than one year but not later than five years	4,012,131	3,709,441
(iii) later than five years	6,203,572	8,280,313
Total	11,124,181	12,829,693

17 Finance Lease Commitments

A lease asset and liability are established at the present value of minimum lease payments for all motor vehicles leased through VicFleet. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The following commitments have been contracted for by SV:

	Minimum future lease payments		Present value of minimum future lease payments	
	2011 \$	2010 \$	2011 \$	2010 \$
(i) not longer than one year	110,220	84,398	94,410	80,458
(ii) longer than one year and not longer than five years	197,452	52,580	192,156	48,954
Minimum future lease payment	307,672	136,978	286,566	129,412
Less: Future finance charges	21,106	7,566	—	—
Present value of minimum lease payments	286,566	129,412	286,566	129,412
Included in the financial statements as:				
Current borrowings lease liabilities (Note 12)	—	—	94,410	80,458
Non-current borrowings lease liabilities (Note 12)	—	—	192,156	48,954
Total	—	—	286,566	129,412

18 Commitments for Program Expenditure

Financial program commitments entered into through 247 contracts for grants or the provision of services by SV as at the reporting date (285 at 30 June 2010), not included in the Balance Sheet and to be carried forward into the 2011-12 financial year and beyond, are as follows:

	2011 \$	2010 \$
(i) not later than one year	11,756,243	16,171,003
(ii) later than one year but not later than five years	1,087,259	3,876,779
Total Program Commitments	12,843,502	20,047,782

19 Sustainability Fund

The Sustainability Fund (SF) account forms part of the Environmental Protection Fund, which is managed by the Environment Protection Authority (EPA). EPA credits the SF account with all landfill levy revenue remaining after distributions to itself, Waste Management Groups and SV, in accordance with the *Environment Protection (Distribution of Landfill Levy) Regulations*. Funds in the SF account were allocated by the Treasurer and the Minister for Environment and Climate Change, to projects aimed at best practices in waste management and fostering environmentally sustainable use of resources.

The SF Secretariat, managed by SV, oversees the management of these projects and receives a management fee for doing so. Except for the management fees, SV accounts for payments to grant recipients and reimbursements from the EPA relating to these projects via its balance sheet.

Payments made to funding recipients totalled \$24,199,316 (2010: \$16,936,800).

Reconciliation of Sustainability Fund Account:	Total \$
Opening balance 1 July 2010	28,616,858
Share of landfill levies received by the Sustainability Fund	43,420,483
Payments made to funding recipients by SV and reimbursed by EPA	(24,199,316)
Sustainability Victoria's management fee (\$706,565) plus other direct expenses	(800,000)
Closing Balance 30 June 2011	47,038,025
Opening balance 1 July 2009	29,427,917
Share of landfill levies received by the Sustainability Fund	16,926,187
Payments made to funding recipients by SV and reimbursed by EPA	(16,936,800)
Sustainability Victoria's management fee (\$731,460) plus other direct expenses	(800,446)
Closing Balance 30 June 2010	28,616,858

20 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:	Meetings Held	Meetings Attended
1 July 2010 to 30 June 2011		
Mike Waller, Chair (to April 2011)	8	6
Dr Gillian Sparkes, Chair (from May 2011)	3	3
Cheryl Batagol, Deputy Chair (to April 2011)	8 ¹	7
Mike Hill, Deputy Chair (from May 2011)	11	10
Mick Bourke (to April 2011)	8	6
Tanya Ha	11	8
Carolyn Lloyd	11	9
Tony Marxsen	11	11
Nicholas Gruen	11	11
Suzanne Evans	11	10
Ross McCann (from May 2011)	3	3

¹ Ms Batagol temporarily relinquished her role as a Board Member for the period of the SV Review.

Accountable Officer: Anita Roper, Chief Executive Officer

The remuneration of the Minister for Environment and Climate Change, Hon Ryan Smith, sworn in 2 December 2010, and former Minister for Environment and Climate Change, Gavin Jennings MLC (1 July 2010 to 1 December 2010), is reported in the financial statements of the Department of Premier and Cabinet.

21 Related Party Transactions

The nature and terms and conditions of the project grants, consulting services and sponsorships between SV and the Related Parties totalled \$95,520 (2010: \$285,165) were at arms 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 financial year.

Board Member	Entity	Details	\$
Mike Hill	Moreland Energy Foundation Limited	Shared office accommodation for a Sustainability Victoria staff member.	21,000
Mike Hill	Moreland Energy Foundation Limited	Audit report for pilot properties in Rooming House Retrofit project.	24,280
Mike Hill	Moreland Energy Foundation Limited	Provide information in several languages relevant to the municipality of Moreland on climate change.	30,000
Mike Hill	Eco-Buy Ltd	Sponsorship of the 2011 ECO-Buy Awards.	5,500
Ross McCann	Plastics and Chemicals Industry Association	Communications and roll-out strategy for the Design for Sustainability with Plastics guides.	14,740
Total			95,520

22 Remuneration**Remuneration of Responsible Persons**

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

	Total Remuneration 2011	Base Remuneration 2011	Total Remuneration 2010	Base Remuneration 2010
Income Band	No.	No.	No.	No.
0 – \$9,999	10	10	8	8
\$20,000 – \$29,999	1	1	1	1
\$280,000 – \$289,999	0	0	0	1
\$290,000 – \$299,999	0	1	0	0
\$300,000 – \$309,999	0	0	1	0
\$320,000 – \$329,999	1	0	0	0
Total numbers	12	12	10	10
Total amount	\$415,536	\$385,816	\$402,642	\$376,547

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.

	Total Remuneration 2011	Base Remuneration 2011	Total Remuneration 2010	Base Remuneration 2010
Income Band	No.	No.	No.	No.
\$100,000 – \$109,999	0	0	0	1
\$140,000 – \$149,999	0	1	1	2
\$150,000 – \$159,999	0	2	1	1
\$160,000 – \$169,999	2	0	1	0
\$170,000 – \$179,999	1	0	0	0
\$180,000 – \$189,999	0	0	1	0
\$190,000 – \$199,999	0	0	0	1
\$200,000 – \$209,999	0	1	0	0
\$220,000 – \$229,999	0	0	1	0
\$290,000 – \$299,999	1	0	0	0
Total numbers	4	4	5	5
Total amount	\$799,380	\$666,391	\$866,046	\$749,670

23 Auditor's Remuneration

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

	2011 \$	2010 \$
Audit Fee	24,000	23,600

24 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 SV 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.

Recognised Financial Instruments	Accounting Policies	Terms and Conditions
Financial Liabilities		
Payables	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to SV.	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 ageing 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 2011						
Financial Assets						
Cash Assets	435,301	18,955,377	–	1,700	19,392,378	4.82
Receivables	–	–	–	1,057,678	1,057,678	–
Total Financial Assets	435,301	18,955,377	–	1,059,378	20,450,056	
Financial Liabilities						
Payables	–	–	–	2,292,076	2,292,076	
Unearned Revenue	–	–	–	309,000	309,000	
Finance Leases	–	94,410	192,156	–	286,566	6.47
Total Financial Liabilities	–	94,410	192,156	2,601,076	2,887,642	
As at 30 June 2010						
Financial Assets						
Cash Assets	188,844	19,630,377	–	1,700	19,820,921	4.61
Receivables ⁽ⁱ⁾	–	–	–	2,458,962	2,458,962	
Total Financial Assets	188,844	19,630,377	–	2,460,662	22,279,883	
Financial Liabilities						
Payables	–	–	–	3,189,125	3,189,125	
Unearned Revenue	–	–	–	38,652	38,652	
Finance Leases	–	80,458	48,954	–	129,412	7.15
Total Financial Liabilities	–	80,458	48,954	3,227,777	3,357,189	

Note: (i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input credit recoverable).

(c) Ageing Analysis of Contractual Receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired		
			Less than 1 month	1–3 months	3 months – 1 year
2011					
Receivables ⁽ⁱ⁾					
Trade Debtors	996,362	–	855,242	141,120	–
Other Debtors	20,420	–	4,133	6,005	10,282
Investment and other contractual financial assets:					
Accrued Interest Income	40,896	40,896	–	–	–
Total	1,057,678	40,896	859,375	147,125	10,282
2010					
Receivables ⁽ⁱ⁾					
Trade Debtors	2,316,909	–	2,125,775	180,134	11,000
Other Debtors	27,165	–	1,362	15,680	10,123
Investment and other contractual financial assets:					
Accrued Interest Income	114,888	114,888	–	–	–
Total	2,458,962	114,888	2,127,137	195,814	21,123

Note: ⁽ⁱ⁾ The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input credit recoverable).

(d) Maturity Analysis of Contractual Financial Liabilities

	Carrying amount	Nominal amount	Maturity dates		
			Less than 1 month	1–3 months	3 months – 1 year
2011					
Payables ⁽ⁱ⁾					
Trade Creditors	603,538	603,538	603,538	–	–
Accrued Expenses	1,688,538	1,688,538	1,688,538	–	–
Total	2,292,076	2,292,076	2,292,076	–	–
2010					
Payables ⁽ⁱ⁾					
Trade Creditors	104,066	104,066	104,066	–	–
Accrued Expenses	3,085,059	3,085,059	3,085,059	–	–
Total	3,189,125	3,189,125	3,189,125	–	–

Note: ⁽ⁱ⁾ The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

25 Contingent Assets/Liabilities

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

26 Department of Climate Change and Energy Efficiency – 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. Receipts and payments for the Commonwealth rebate programs are excluded from the Comprehensive Operating Statement.

	RRPGP \$	PV \$	Total \$
Opening Balance 1 July 2010	(36,347)	–	(36,347)
Add: Receipts	–	–	–
Less: Refund of Unspent Funding	36,347	–	36,347
Closing Balance 30 June 2011	–	–	–

27 Events Occurring after reporting date

No significant events have occurred since 30 June 2011 which will have a material impact on the information disclosed in the financial statements.

A review was announced in May 2011 to consider SV's strategic direction and its future alignment to Government policy. The review is due for completion in August 2011, following which the Board will develop a five-year strategic plan for the organisation, which may significantly affect operations in subsequent years.

28 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 relate to operating contracted commitments.

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 lease 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, Accountable Officer and Chief Financial 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 2011 and the financial position of Sustainability Victoria as at 30 June 2011.

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.



Dr. Gillian Sparkes
Chair
Sustainability Victoria

Melbourne
15/08/11



Anita Roper
Chief Executive Officer
Sustainability Victoria

Melbourne
15/08/11



Derek Jones
Chief Financial Officer
Sustainability Victoria

Melbourne
15/08/11

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Sustainability Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of Sustainability Victoria which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by chairperson, accountable officer and chief financial officer has been audited.

The Board Members' 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*, and for such internal control as the Board Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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, 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.

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.

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Sustainability Victoria as at 30 June 2011 and of its financial performance and its 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Sustainability Victoria for the year ended 30 June 2011 included both in Sustainability Victoria's annual report and on the website. The Board Members of Sustainability Victoria are responsible for the integrity of Sustainability Victoria's website. I have not been engaged to report on the integrity of Sustainability Victoria's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
16 August 2011


For D D R Pearson
Auditor-General

Part 10

Legislative compliance

The 2010–11 Annual Report of Sustainability Victoria is prepared in accordance with all relevant Victorian legislation.

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

We are committed to delivering services that support and strengthen local communities. This includes embracing diversity by supporting and advocating for indigenous communities, young Victorians, women, and culturally and linguistically diverse communities.

Sustainability Victoria provides sustainability information in languages other than English. Telephone (free call) 1300 363 744 or email info@sustainability.vic.gov.au for more information.

Freedom of Information Act

The Victorian *Freedom of Information Act 1982* gives individuals the right to request information. We received two such requests during the year, with full access granted in each case.

Freedom of Information requests can 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 \$24.40 application fee. Copies of information on our Freedom of Information process and charges other than the application fee for requested material can be obtained from us by calling (03) 8626 8700 or visiting www.sustainability.vic.gov.au

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

- + a statement declaring that all pecuniary interests have been duly completed by relevant officers
- + details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- + details of publications produced by the entity about itself, and how these can be obtained
- + details of changes in prices, fees, charges, rates and levies charged by the entity
- + details of any major external reviews carried out on the entity
- + details of major research and development activities undertaken by the entity
- + details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- + details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- + details of assessments and measures to improve OH&S
- + a general statement on industrial relations and details of time lost through industrial accidents and disputes
- + a list of major committees, their purpose and achievements.

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 2010–11 for breaches of privacy.

A copy of our Information Privacy Policy is available from SV on telephone (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 (VIPP) 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 2010–11, SV did not commence or complete any new contracts to which the VIPP applied.

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. SV 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 2010–11 no disclosures were reported in accordance with the Act.

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

Ms Suzanne Knight
Sustainability Victoria
Level 28
50 Lonsdale Street
Melbourne, Victoria 3000
Telephone (03) 8626 8840
Facsimile (03) 9663 1007
Email: suzanne.knight@sustainability.vic.gov.au

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

Mr George Brouwer
Level 9
459 Collins Street
Melbourne, Victoria 3000
Telephone: (03) 9613 6222
Toll free: 1800 806 314
Email: ombudvic@ombudsman.vic.gov.au

A copy of SV's *Whistleblower Protection Procedures* is available in Appendix 10.

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Legislative Compliance Index

The 2010–11 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.

Legislation	Requirement	Page Reference
Charter and purpose		
FRD22B	Manner of establishment and the relevant Ministers	6
FRD22B	Objectives, functions, powers and duties	6
FRD22B	Nature and range of services provided	6
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FRD22B	Organisational structure	13
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FRD10	Disclosure index	68
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FRD22B	Details of consultancies over \$100,000	41
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FRD22B	Statement of availability of other information	39
FRD24C	Reporting of office-based environmental impacts	87–88
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FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	51
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SD 4.2 (b)	Comprehensive Operating Statement	42
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SD 4.2 (f)	Compliance with Model Financial Report	45
SD 4.5.5	Risk management attestation	82
Other disclosures as required by FRDs in notes to the financial statements		
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FRD21A	Responsible person and executive officer disclosures	56–57
FRD103D	Non-current physical assets	46
FRD106	Impairment of assets	46
FRD109	Intangible assets	47
FRD 110	Cash Flow Statement	44
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<i>Building Act 1983</i>		66
<i>Whistleblowers Protection Act 2001</i>		66, 95–96
<i>Victorian Industry Participation Policy Act 2003</i>		67
<i>Financial Management Act 1994</i>		45
<i>Multicultural Victoria Act 2004</i>		66

Part 11

Landfill Levy

In order to increase the transparency about how the landfill levy is spent, Sustainability Victoria (SV) is reporting on how the levy is distributed between EPA, SV, the Waste Management Groups and the Sustainability Fund, and in which program areas SV has used the levy it received.

Landfill levy receipts and distribution

Victoria charges a landfill levy on each tonne of waste that is disposed of in Victorian landfills. Levies apply to municipal and commercial wastes deposited at licensed facilities in Victoria. Revenue receipts raised from landfill levies are held in the Environment Protection (EP) Fund. This fund is established under the *Environment Protection Act 1970* (s. 70) and is managed by the EPA Victoria.

In 2010–11, the Environment Protection Fund distributed a total of \$78.91 million in cash from municipal and industrial landfill levies.

Municipal and industrial landfill levies received in the Environment Protection Fund are distributed in accordance with the *Environment Protection (Distribution of Landfill Levy) Regulations 2010*. The Regulations govern the amounts that are allocated to metropolitan and regional waste management groups, SV and the

EPA. The remainder of the money is then transferred into the Sustainability Fund account within the Environment Protection Fund, held by the EPA.

In 2010–11, SV received \$24.13 million, the EPA received \$5.79 million, and waste management groups received \$5.57 million of landfill levy funds. The remaining funds, \$43.42 million, were transferred to the Sustainability Fund account. Figure 2 below describes this distribution.

Sustainability Victoria's use of landfill levy

The *Sustainability Victoria Act 2005* specifies the objectives and functions of SV, and the annual priorities are described in the annual business plan. To achieve these objectives, functions and priorities, SV receives revenue from a range of sources, including government grants (appropriation), the landfill levy, and other sources of funds for specific programs and purposes. The full income and expenditure statements are detailed in Part 7 (Summary of Financial Performance) of this report.

In 2010–11, SV allocated landfill levy to the initiatives listed in Table 16 opposite, the outcomes of which are described in Part 5 (Our performance) of this report.

Figure 2

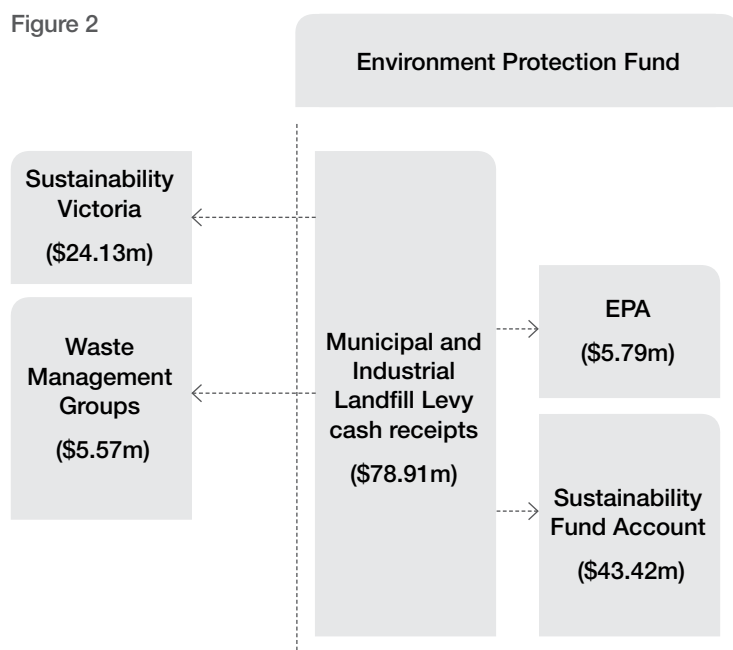


Table 16: SV Initiatives – Allocated Landfill Levy

Business Programs	
Developing accredited courses, and related resources to deliver skills initiatives	Promotion and Capacity Building for the TAFE sector
Carbon Down	Renewable Energy Industry Support
City Switch	Renewable Energy Information & Data
Curriculum Maintenance and Monitoring	Paint Care
Sustainable Shopping Centre's Pilot	Beyond Best Practice program
Distributed generation and smart grids	Skills for Sustainability Policy Support
Outreach and advice	Strategic Research on Energy Efficiency Issues
Working with industry associations to increase resource efficiency	Energy Efficiency Policy Support
Improving Commercial Buildings performance under NABERS (ISPT and Colonial First State) and engaging property owners and tenants to improve sustainability of existing commercial buildings	Supporting GreenPower and other renewable energy sector support
	Supporting EcoBuy
Community Programs	
KABV programs	Regional Engagement, including regional road show to Mildura
Sustainable Precincts	Resource Smart AuSSI Vic and related training of education professionals
TZW Regional Projects to increase municipal resource recovery	
Household Programs	
Detox Your Home chemical collections	Minimum Energy Performance Standards
Sustainable Rebuilding Ideas for people rebuilding after Black Saturday bushfires	Right Advice at the Right Place
Supporting the FirstRate5 software and transitioning of House Energy Rater Accreditation to the Building Designers Association of Victoria	
Government Programs	
Sustainability across Government	Policy support and strategies for renewable energy
Sustainability in Healthcare	Sustainability in Tertiary Education
Sustainability in Local Government	Monitoring progress against TZW including policy and project development
TZW Strategy Support	TZW Best Practice Organics Recovery
Participate in national and Victorian Government processes for energy efficiency policy development	
Our Foundation	
Building Services and facilities for SV's offices	HR functions including recruitment, organisational development including leadership and management skills, succession planning, the Tom O'Neill fellowship
Maintaining our ISO 14001 (EMS) certification	Occupational Health & Safety compliance
Producing timely and accurate financial and organisational reporting with sound systems and governance	Communication and marketing including sponsorships and digital marketing
Premier's Sustainability Awards 2011	Knowledge management, including lessons learnt, mapping staff expertise and priority research
Implementing our Performance Monitoring Framework	Maintaining and improving our ICT and business systems
Publishing key reports including the 2010 Green Light Report, the Victorian Litter Report, the Victorian Recycling Industry Annual Survey and the Victorian Local Government Annual Survey	

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Part 12

Sustainability Fund

As at 30 June 2011, section 70D of the *Environment Protection Act 1970* requires Sustainability Victoria to include a copy of the Sustainability Fund Advisory Panel's recommendations in its annual report for the financial year in which the recommendations were made, together with a list of all the Sustainability Fund grants that were made in that financial year.

Sustainability Victoria (SV), as the responsible authority⁴ for the Sustainability Fund, manages the distribution of funds from the Sustainability Fund and maintains the Sustainability Fund Secretariat for this purpose. All money paid into the Sustainability Fund is sourced from the landfill levy (see Figure 2 on page 70), and all allocations from the Sustainability Fund were made jointly by the Minister for Environment and Climate Change and the Treasurer.

Sustainability Victoria manages the Sustainability Fund through the Sustainability Fund Secretariat on behalf of the Minister for Environment and Climate Change and the Treasurer.

The Fund supports innovative projects that foster sustainability, with economic and social benefits that lead to innovative new markets, products and services for industry, community and local governments. This is achieved through directing funding towards a variety of competitive funding rounds and a range of strategic initiatives. The independent Sustainability Fund Advisory Panel (Table 17) recommended a range of projects for funding in 2010–11 (Table 18 on page 74). The Minister for Environment and Climate Change and the Treasurer considered the recommendations made by the Sustainability Fund Advisory Panel in addition to making a number of strategic allocations.

Table 17: Sustainability Fund Advisory Panel

Member	Period of
Cheryl Batagol (Chair until 15 August 2010)	until 30 June 2011
Mick Bourke	until 30 April 2011
Dr Tony Gregson	until 30 June 2011
Mary Hawkins	until 30 June 2011
Mick Murphy (Chair since 16 August 2010)	since 16 August 2010
Sue Carter	since 16 August 2010
Jan Boynton	since 16 August 2010
Dr Sarah Ewing	since 16 August 2010

⁴ As outlined in sections 70(6B)(b), 70A to 70E of the *Environment Protection Act 1970* as at 30th June 2011.

Table 18: Projects recommended for funding by the Sustainability Fund Advisory Panel

Funding Program	Organisation	Project	Funding Support
Neighbourhood Renewal Round Four	Central Goldfields Shire Council	Bike Me - Maryborough Bike Recycling Program	\$32,567
	Environment Victoria Inc.	Flemington Green	\$37,532
	Enterprising Communities Inc.	Delacombe Community Gardens - local food, healthy people.	\$60,000
	Mornington Peninsula Shire Council	Connecting Kings Creek - Stage 1 in the Connect Hastings Future	\$70,000
	Cultivating Community	Compost Champions	\$69,849
	Colac Otway Shire	Colac Reduce Energy Wastage (CREW) and Recycle for Our Community and Kids (ROCK)	\$49,000
	City of Casey	Greening the Doveton Neighbourhood Learning Centre	\$67,000
	Heathdale Neighbourhood Association Inc.	New Again	\$40,000
Climate Communities Round One	Ballarat Permaculture Guild	Backyard Bounty	\$50,000
	Rotary Health of the River Forum	Health of the River Youth Forum	\$7,300
	Sustainable Gardening Australia	School POD Gardening Group – Pilot Project	\$27,400
	Warrnambool Community Garden Inc	Healthy Urban Building (THE HUB)	\$50,000
	Bendigo Sustainability Group	Bendigo Celebrates Sustainable Living	\$50,000
	Rotary Club of Mildura	Engaging Mallee Communities in Sustainable Technology	\$49,800
	Surf Coast Energy Group	Grow It!	\$50,000
	Woodend Integrated Sustainable Energy (WISE)	Community Wind Resource Assessment and Mast Loan Program	\$50,000
	Australian Alpine Valleys Agribusiness Forum Inc.	Empowering NE Victorian Farming Communities to Adapt to Climate Change	\$50,000
	Castlemaine Community House	Growing Abundance	\$49,980
	Birallee Park Neighbourhood House	Growing Food and Shade Plants in a Community Waterwise Garden in Wodonga	\$50,000
	Lake Lascelles/Coorong Committee of Management	Mallee Bush Retreat Community Solar Initiative	\$31,607
	Briar Hill Primary School	Briar Hill Sustainability Hub - Share, Learn, Connect	\$50,000
	Moreland Bicycle Users Group Inc	O'Hea Biketown	\$50,000
	Energy Innovation Co-operative Ltd	Community Carbon Education and Reduction Project	\$50,000
	Young Men's Christian Association of Geelong Inc	YMCA Camp Wyuna - Centre of Practical Learning and Environmental Sustainability	\$38,000
	Warrnambool Coastcare Landcare Group	The Story of Warrnambool, Land Between the River - Pilot Project	\$48,500
	Wonthaggi Community Garden	Wonthaggi Community Garden - Adapting to Change	\$50,000
	Mind (Mind Australia)	Sprout - Local Food, Local People, Global Thinking	\$50,000
Climate Communities Round Two	Nillumbik Shire Council	Nillumbik Community Composting Group	\$45,992
	Port Phillip EcoCentre Inc	Weekend Community Engagement Workshops	\$34,850
	Mornington Community Garden Inc	Dig-it for a Sustainable Future	\$50,000

Funding Program	Organisation	Project	Funding Support
Climate Communities Round Three*	Diversitat (Geelong Ethnic Communities Council)	Reuse and Create – Cultural Communities Learn About Climate Change	\$50,000
	Upper Yarra Community Environment Park (UYCEP)	Creative Climate Community – Upper Yarra	\$50,000
	Wodonga Diamonds Football Club (Soccer)	Wodonga Diamonds Red and White Go Green	\$49,947
	Alevi Community Council of Australia Inc	Turkish Speaking Communities: Looking Towards the Climate Change Future	\$50,000
	Baw Baw Shire Council	Greenhome for a Better Baw-Baw	\$16,200
	Sustainable Living in the Mallee (SLIM)	Sustainable Community Buildings	\$50,000
	Common Equity Housing Limited	Co-ops Go Green	\$50,000
	Western Edge Youth Arts Inc.	Connecting Climate and Youth Culture	\$50,000
	Moreland City Council	Moreland Community Composting Hubs	\$34,327
	Budja Budja Aboriginal Cooperative Ltd	Budja-Budja Community Kitchen Garden	\$49,760
	Yarrawonga Community Garden Steering	Yarrawonga Community Garden (YCG)	\$49,398
	Fryerstown School Management Committee	Fryerstown School Sustainability Project	\$40,000
	Geelong Sustainability Group Inc.	Eat Your Garden – Relocalising Food into Gardens of Geelong Resident's	\$50,000
	Transition Town Bell	3215 in Blossom	\$50,000
	Seeds Bendigo	Long Gully Edible Gardens Project	\$36,833
	Manifold Heights Primary	Manifold Heights Community Garden	\$50,000
	Burnt Creek Landcare Group Inc	Waterwise Living – In the Home and On the Farm	\$42,333
	Growing Together Baw-Baw Cooperative Community Garden Network	Growing Together Baw-Baw Cooperative Community Garden Network (GTBB)	\$50,000

*Climate Communities Round Three was not approved for funding by the Minister and Treasurer.

In 2010–11, \$92.65 million in new funding was announced for sustainability grants and strategic initiatives through the following programs:

- ✦ \$0.43 million was allocated to Round Four of the Neighbourhood Renewal Grants Program, supporting eight projects in Neighbourhood Renewal areas across the state
- ✦ \$1.20 million was allocated to Rounds One and Two of the Climate Communities grants program, supporting 27 community projects to deliver a range of local sustainability projects across the state
- ✦ \$2.20 million was allocated to Round One of the Solar Hubs grants program, managed by SV
- ✦ \$0.16 million was allocated to Round One of the Roadside Litter grants program, managed by SV
- ✦ \$1.24 million was allocated to Round One of the Public Place Recycling grants program, managed by SV
- ✦ \$3.75 million was allocated to Round One of the Driving Investment in New Recycling grants program, managed by SV
- ✦ \$83.68 million was allocated to a number of strategic allocations, including programs announced in the 2011–12 Victorian State Budget (refer to Table 19 on page 76 – Funding allocated to strategic allocations).

A complete list of allocations made from the Sustainability Fund in 2010–11 is provided in Table 19 on page 76.

The Secretariat continued to manage previous funding commitments, providing support and guidance to over 120 projects, including:

- ✦ a new green cleaning system for dairy milking equipment that will help dairy farmers save energy, water and reduce running costs
- ✦ a new community based e-waste collection and dismantling service in Gippsland
- ✦ an award-winning website to assist bushfire affected communities to Build it Back Green.

Table 19: Sustainability Fund allocations

Funding Program	Organisation	Project	Funding Support
Projects overseen by the Sustainability Fund Secretariat			
Neighbourhood Renewal Round Four	Central Goldfields Shire Council	Bike Me – Maryborough Bike Recycling Program	\$32,567
	Environment Victoria inc.	Flemington Green	\$37,532
	Enterprising Communities Inc.	Delacombe Community Gardens – local food, healthy people.	\$60,000
	Mornington Peninsula Shire Council	Connecting Kings Creek – Stage 1 in the Connect Hastings Future	\$70,000
	Cultivating Community	Compost Champions	\$69,849
	Colac Otway Shire	Colac Reduce Energy Wastage (CREW) and Recycle for Our Community and Kids (ROCK)	\$49,000
	City of Casey	Greening the Doveton Neighbourhood Learning Centre	\$67,000
	Heathdale Neighbourhood Association Inc.	New Again	\$40,000
Projects overseen by Sustainability Victoria			
Climate Communities Round One	Ballarat Permaculture Guild	Backyard Bounty	\$50,000
	Rotary Health of the River Forum	Health of the River Youth Forum	\$7,300
	Sustainable Gardening Australia	School POD Gardening Group – Pilot Project	\$27,400
	Warrnambool Community Garden Inc	Healthy Urban Building (THE HUB)	\$50,000
	Bendigo Sustainability Group	Bendigo Celebrates Sustainable Living	\$50,000
	Rotary Club of Mildura	Engaging Mallee Communities in Sustainable Technology	\$49,800
	Surf Coast Energy Group	Grow It!	\$50,000
	Woodend Integrated Sustainable Energy (WISE)	Community Wind Resource Assessment and Mast Loan Program.	\$50,000
	Australian Alpine Valleys Agribusiness Forum Inc.	Empowering NE Victorian Farming Communities to Adapt to Climate Change	\$50,000
	Castlemaine Community House	Growing Abundance	\$49,980
	Birallee Park Neighbourhood House	Growing Food and Shade Plants in a Community Waterwise Garden in Wodonga	\$50,000
	Lake Lascelles/Coorong Committee of Management	Mallee Bush Retreat Community Solar Initiative	\$31,607
	Briar Hill Primary School	Briar Hill Sustainability Hub – Share, Learn, Connect	\$50,000
	Moreland Bicycle Users Group Inc	O'Hea Biketown	\$50,000
	Energy Innovation Co-operative Ltd	Community Carbon Education and Reduction Project	\$50,000
	Young Men's Christian Association of Geelong Inc	YMCA Camp Wyuna – Centre of Practical Learning and Environmental Sustainability	\$38,000
	Warrnambool Coastcare Landcare Group	The Story Of Warrnambool, Land Between the River – Pilot Project	\$48,500
	Wonthaggi Community Garden	Wonthaggi Community Garden – Adapting to Change	\$50,000
	Mind (Mind Australia)	Sprout – Local Food, Local People, Global Thinking	\$50,000

Funding Program	Organisation	Project	Funding Support
Climate Communities Round Two	Nilumbik Shire Council	Nilumbik Community Composting Group	\$45,992
	Port Phillip EcoCentre Inc	Weekend Community Engagement Workshops	\$34,850
	Mornington Community Garden Inc	Dig-it for a Sustainable Future	\$50,000
	Diversitat (Geelong Ethnic Communities Council)	Reuse and Create – Cultural Communities Learn About Climate Change	\$50,000
	Upper Yarra Community Environment Park (UYCEP)	Creative Climate Community – Upper Yarra	\$50,000
	Wodonga Diamonds Football Club (Soccer)	Wodonga Diamonds Red and White Go Green	\$49,947
	Alevi Community Council of Australia Inc	Turkish Speaking Communities: Looking Towards the Climate Change Future	\$50,000
	Baw Baw Shire Council	Greenhome for a Better Baw-Baw	\$16,200
Solar Hubs Program	Bendigo Sustainability Group and Mount Alexander Sustainability Group	Bendigo-Mount Alexander 1000 Solar Rooftops	\$456,704
	Mildura Development Corp	Mildura – a going solar community!	\$392,424
	Energy Innovation Co-Op	Southern Solar Hub Project	\$250,000
	GV Community Energy	Solar Valley Hub	\$600,000
	Towong Shire	North East Solar PV Community Hub – Beyond Zero	\$500,000
Roadside Litter Grants	NevRwaste (North East Victorian Regional Waste Management Group)	Secure your load	\$26,322
	Cardinia Shire Council	Keep Cardinia Clean	\$26,345
	Yarra Ranges Shire Council	Enforcement – roadside litter surveillance cameras	\$6,975
	Resource GV (Goulburn Valley Regional Waste Management Group)	Action on tourism litter in northern Victoria	\$30,000
	Calder Regional Waste Management Group	Chili squad – Calder Highway	\$50,000
	City of Greater Dandenong	Keep Railway Parade Litter Free	\$10,200
	Parks Victoria	Roadside Litter Trailer	\$10,282
Public Place Recycling Grants	Metro Trains	Extension of waste recycling stations to all metro stations	\$297,643
	Mildura Rural City Council	Better signage = Better recycling project	\$3,000
	Moreland City Council	Public Place Recycling at Coburg Lake Reserve	\$25,000
	Frankston City Council	Ballam Park Public Place Recycling	\$15,000
	City of Greater Dandenong	Public Place Recycling at Springer's Leisure Centre	\$22,360
	City of Greater Dandenong	Public Place Recycling at Noble Park Swim Centre	\$22,360
	Southern Grampians Shire	Hamilton CBD Public Place Recycling Project	\$23,500
	Wodonga City Council	Eat, Play, Recycle	\$24,155
	Gannawarra Shire Council	Junk Mail No More	\$10,778
	NevRwaste	Public Place Recycling for the Alpine Resorts in North East Victoria	\$96,000
	Nilumbik Council	Cleaning Up Our Game	\$42,100
	Darebin City Council	Cleaning Up Our Game	\$68,130

Funding Program	Organisation	Project	Funding Support
	City of Whittlesea	Cleaning Up Our Game	\$25,000
	City of Yarra	Good Clean Game	\$64,740
	City of Yarra	Don't Waste Yarra's Parks	\$204,230
	Hepburn Shire Council	Resource Recovery Through Public Place Recycling in Hepburn Shire Council	\$50,000
	East Gippsland Shire	Public Place Recycling for Bairnsdale Mall and Main Street Gardens	\$25,000
	East Gippsland Shire	Public Place Recycling for Metung Village and Nicholson River Boat Ramp	\$16,000
	City of Boroondara	Public place recycling and education campaign for high-traffic Boroondara parks and sports grounds	\$36,000
	Mount Alexander Shire	Doin' it Downtown: Recycling in Castlemaine CBD	\$22,692
	City of Ballarat	Ballarat Public Place Recycling Program	\$25,000
	Moir Shire	Getting Cleaned Up	\$25,000
	Monash City Council	Upgrade Mt Waverley Shopping Precinct Public Place Recycling	\$25,000
	Cardinia Shire Council	Cardinia Public Place Resource Recovery	\$46,985
	Mornington Peninsula Shire	Recycling Away From Home – Mornington Peninsula Foreshores	\$25,000
Driving Investment for New Recycling	Metropolitan Waste Management Group	Local government polystyrene resource recovery project	\$333,907
	Swan Hill Rural City Council	Four Transfer Station Project – conversion of landfills to transfer stations	\$20,800
	Polymer Processors Pty Ltd	Recycling process for used agricultural silage film	\$538,274
	Resource GV	Mercury Rising – increase recycling of fluorescent lights	\$20,000
	South Gippsland Shire Council	Mattress recycling project	\$6,500
	City Circle Demolition and Recycling	Waste timber resource recovery project	\$500,000
	Glenelg Shire Council	Portland glass crushing and reuse project	\$98,000
	Sita Environmental Solutions	Gippsland construction and demolition waste sorting facility upgrade	\$78,255
	Transglobal Group (trading as Plastic Technology)	Regional recycling centre for flexible film waste	\$560,268
	Mildura Rural City Council	Resort, Recover, Recycle, Reuse – Mildura waste minimisation project	\$73,000
	Grampians Regional Waste Management Group	Recycling Right 'Round the Region'	\$19,525
	CMA Ecocycle	Increasing the recycling capacity for mercury-containing lamps	\$174,540
	National Recycling Group	Resource recovery enhancement by infrastructure improvement	\$198,228
	Deposit Point Collection	New agricultural recycling infrastructure	\$54,450
	KKC Property Pty Ltd	Extension of existing materials recycling facility	\$66,600
	Veolia Environmental Services (Australia)	Shepparton resource recovery facility – construction of facility	\$300,000

Funding Program	Organisation	Project	Funding
Projects overseen by the Department of Sustainability and Environment			
Victorian Local Sustainability Accord – Partnership Grants	Greater Geelong City Council	Green Infrastructure Standards	\$250,000
	City Of Melbourne	Growing Green Guide For Melbourne: A How-To Guide For Green Roofs, Walls And Facades.	\$250,000
	Knox City Council	Sustainability In The Early Years	\$250,000
	Moreland City Council	SDAPP Tools (STEPS & SDS) Integration and Upgrades.	\$131,800
	South Gippsland Shire Council	Sustainable Gippsland E Community	\$248,248
	Moirra Shire Council	Greening Local Supply Chains For Local Government	\$113,510
	Horsham Rural City Council	Building Local Government Change Agents For Resilient And Sustainable Communities	\$247,377
	Indigo Shire Council	Reduce, Green and Sustain – Next Generation Procurement	\$240,000
	Manningham City Council	Communicating Energy Use In Local Communities Using Benchmarking.	\$141,500
	Maribyrnong City Council	WAGA – Climate Change Risk Adaptation Response Plan	\$100,000
	City Of Boroondara	Streamlining the Business Case and Implementation Options for Co/Tri-Generation at New and Existing Victorian Council-Owned Leisure and Aquatic Centres	\$120,000
Victorian Local Sustainability Accord – Individual grants	Alpine Shire Council	Alpine Shire Environment Strategy	\$30,000
	Gannawarra Shire Council	Gannawarra Environment and Sustainability Strategy	\$45,000
	Rural City Of Wangaratta	Rural City Of Wangaratta – Development of Sustainability Capability	\$45,000
	East Gippsland Shire Council	Urban Waterway Strategy Development	\$45,000
	Hindmarsh Shire Council	Project Officer: Hindmarsh Roadside Management Strategy Review and Implementation	\$45,000
	Macedon Ranges Shire Council	Adaptive Natural Area Management Plans for Council's Bushland Reserves	\$45,000
	Towong Shire Council	Towong Shire Council Sustainability Strategy – Triple Bottom Line Outcomes	\$45,000
	Wellington Shire Council	Progressing Sustainable Action Within the Wellington Shire	\$45,000
	Mount Alexander Shire Council	Building the Buzz – Boosting Our Team's Sustainability Knowledge and Commitment	\$45,000
	Horsham Rural City Council	The Green Print Horsham Rural City Council	\$45,000
	Moorabool Shire Council	Permanent Ecosystem Protection Through Targeted Community Incentive Programs	\$45,000
	Loddon Shire Council	Implement Loddon Shire Climate Change Adaptation Plan	\$45,000
	Shire Of Campaspe	Implementing Shire Of Campaspe's Environmental Strategy	\$45,000
	Bass Coast Shire Council	Emission Reduction Action In Bass Coast.	\$45,000
	Northern Grampians Shire Council	Empowering Change: Delivery of the Northern Grampians Shire Council Sustainable Living Strategy	\$45,000
	Central Goldfields Shire Council	Central Goldfields Sustainability Strategy and Sustainability Living Implementation	\$45,000

Funding Program	Organisation	Project	Funding Support
	South Gippsland Shire Council	South Gippsland Shire Sustainability Works	\$45,000
	Golden Plains Shire Council	Golden Plains Shire Environment Strategy (Sustainability) Implementation Project	\$45,000
	Corangamite Shire Council	Building Corangamite's Biodiversity Knowledge Base for Climate Change Adaptation	\$45,000
	Moirā Shire Council	Putting the Poly in Your Pocket - Polystyrene Recycling in Moira Shire	\$45,000
	Mildura Rural City Council	Educating And Engaging A Sustainable Community	\$45,000
	Indigo Shire Council	Mapping & Brokering Local Energy Solutions in Indigo	\$45,000
	Hepburn Shire Council	Sustainable Building Management Plan	\$45,000
	Benalla Rural City Council	Climate Change Impact Assessment and Adaptation Action Planning in the Benalla Rural City	\$45,000
	Murrindindi Shire Council	Development Of A Resource And Energy Efficiency Program For Key Council Facilities	\$45,000
	Colac Otway Shire Council	Achieving Carbon Neutrality In Colac Otway Shire	\$45,000
	Borough Of Queenscliffe	Working Towards Carbon Neutrality in the Borough of Queenscliffe	\$45,000
	Cardinia Shire Council	Tracking Utility Data to Enable Council Reporting Against Targets	\$45,000
	Nillumbik Shire Council	Water Cycle Management Plan and Implementation Environment Strategy Actions	\$45,000
	Moyne Shire Council	Moving Moyne Minus Motors	\$45,000
	Surf Coast Shire	Surf Coast Shire Greenhouse Gas Emissions Management Plan	\$45,000
	Pyrenees Shire Council	Demonstrating Leadership & Climate Change Adaptation Through Operational Delivery	\$45,000
	Warrnambool City Council	A Plan for Climate Action	\$45,000
	Swan Hill Rural City Council	Smarter Buildings Project The Revolving Fund	\$45,000
	Baw Baw Shire Council	Sustainable and Energy Efficient – The West Gippsland Arts Centre	\$45,000
	Buloke Shire Council	Harvesting Our Solar Energy	\$45,000
	Southern Grampians Shire Council	Southern Grampians Energy Management Demonstration	\$45,000
	Mitchell Shire Council	Don't Waste Go Solar! - Wallan Transfer Station And Depot Go Solar	\$45,000
	Wodonga City Council	Sustainable Water Management Bonegilla Migrant Experience (BME)	\$45,000
	Yarriambiack Shire Council	Yarriambiack Shire Council Water and Energy Enhancement	\$45,000
	Glenelg Shire Council	Solar PV Cell Installation at the Glenelg Shire Council Buildings	\$45,000
	Ararat Rural City Council	Council Bio-energy Support Officer	\$45,000

Funding Program	Organisation	Project	Funding Support
Strategic Allocations			
	Moreland Energy Foundation	In common language	\$30,000
	CERES	CERES Community Kitchen	\$80,000
	Yarra Energy Foundation	Yarra Energy Foundation High Rise Revolution project	\$91,000
	Friends of the Earth	South Melbourne Commons Community EcoHub	\$120,000
	North East Neighborhood House Network	Greener Houses Growing Greener Neighborhoods – extension	\$450,000
	Sustainability Victoria	Energy efficiency rebates for low income homes	\$5,000,000
	Department of Sustainability and Environment	Community Green Fund	\$20,000,000
	Sustainability Victoria	Green Tick program for business – Voluntary green tick accreditation program for Small and Medium Enterprises	\$5,000,000
	Department of Sustainability and Environment	Investigating generating green power from Ballarat's green waste	\$50,000
	Department of Sustainability and Environment/ Office of Water	Rebates for water efficient appliances and items	\$40,000,000
	Sustainability Victoria	ResourceSmart AuSSIVic Expansion	\$8,305,000
	Department of Planning and Community Development	Sustainable Street Lights	\$5,000,000

What we said we would do and our performance in 2010–11 for our Sustainability Fund program is outlined in Table 20.

Table 20: The Sustainability Fund program

What we said we would do	Our Performance
We will:	
+ manage the remaining 10 projects from the EcoLiving funding Rounds 1 and 2	+ Continued to manage the remaining projects from EcoLiving funding Rounds 1 and 2.
+ manage the remaining 8 projects from the Neighbourhood Renewal funding Rounds 1, 2 and 3, and engage the projects with successful funding recipients from the latest Neighbourhood Renewal funding Round 4	+ Engaged the successful funding recipients from Neighbourhood Renewal funding Round 4, and continued to manage projects from all four rounds.
+ manage the remaining 44 projects from the Sustainability Fund's open funding Rounds 1, 2 and 3	+ Continued to manage the remaining projects from the Sustainability Fund's open funding Rounds 1, 2 and 3.
+ engage and manage 28 new projects from the Climate Change and Victorian households funding round	+ Engaged successful funding recipients from the Climate Change and Victorian households funding round and continued to manage projects.
+ communicate outcomes from completed projects	+ Communicated the Sustainability Fund's lessons and outcomes through events, case studies and ongoing one-on-one support to our stakeholders.
+ manage the strategic funding allocations for the remaining projects from the Victorian Government's ESAS projects	+ Continued to manage all pre-existing strategic funding allocations, together with those announced in 2010-2011.
+ manage strategic funding allocations from the Sustainability Fund for the Victorian Government's: <ul style="list-style-type: none"> • Jobs for the Future Economy initiatives • Waste and Recycling initiatives. • White Paper initiatives. 	

Appendix 1

Chair's risk attestation

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Sustainability
victoria



Sustainability Victoria

Risk Attestation

I, Gillian Sparkes certify that Sustainability Victoria has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009) 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.

A handwritten signature in black ink, appearing to read 'G Sparkes'.

Dr Gillian Sparkes
Chair
Sustainability Victoria

Melbourne
18 July 2011

Appendix 2

Greenhouse gas abatement verification statement



Net Balance Management Group Pty Ltd
ABN 50 121 706 081
Level 4, 460 Bourke Street
Melbourne VIC 3000 Australia
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F +61 3 9600 1295
E info@netbalance.com
W netbalance.com

INDEPENDENT VERIFICATION STATEMENT

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

Sustainability Victoria commissioned Net Balance Management Group Pty Ltd (Net Balance) to provide independent verification of the organisation's Greenhouse Gas (GHG) Inventory for the period 1 July 2010 to 30 June 2011. Sustainability Victoria was responsible for the preparation of the GHG inventory 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 objective of the verification process is to provide Sustainability Victoria's Board and Executive, as well as its stakeholders, with an independent opinion on the accuracy of the GHG inventory. This is achieved through a review of the underlying systems, information and calculations supporting the GHG inventory.

Verification scope and methodology

The verification scope covered Sustainability Victoria's complete GHG inventory, including Scope 1, 2 and 3 emissions, as presented in the 'Greenhouse Gas Emissions' section of Appendix 4. As factors contributing to the inventory, total use metrics for energy, paper use, organics and recyclable materials to processors, waste to landfill, potable water consumption and total air travel (in kilometres) associated with Sustainability Victoria's operations are also within the verification scope. The engagement was undertaken between July and August 2011, and involved:

- reviewing internal systems and processes used to manage the GHG inventory
- conducting interviews with key personnel responsible for preparation of the GHG inventory
- analytical and other review procedures to detect misstatements in the GHG inventory
- collecting and evaluating evidence to support the verification work undertaken.

Our competency and independence

The verification process was carried out by a team of greenhouse and energy technical specialists.

Net Balance was not responsible for preparation of any part of the GHG inventory. Net Balance confirms that we are not aware of any issue that could impair our objectivity in relation to this engagement.

Our opinion

Based on the scope of the verification process, the following represents our opinion:

- The findings of the verification engagement provide confidence in the systems and processes used for managing and reporting GHG emissions.
- The level of accuracy of GHG emission information was found to be within acceptable limits.
- Data trails selected were easily identifiable and traceable, and the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data.
- Sustainability Victoria's GHG inventory is a fair and accurate representation of the organisation's GHG emissions during the period.
- Any errors identified during the verification were rectified prior to the GHG inventory being published.

On behalf of the verification team
9 August 2011
Melbourne, Australia

Terence Jayaretnam, FIEAust
Director, Net Balance & Lead CSAP (AccountAbility UK)



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INDEPENDENT VERIFICATION STATEMENT

To the Board of Directors and the Executive 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 2010-2011 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 objective of the verification process is to provide Sustainability Victoria's Board and Executive, as well as its stakeholders, with an independent opinion on the accuracy of the greenhouse gas abatements presented within the Annual Report. This is achieved through a review of the underlying systems, information and calculations supporting the greenhouse gas abatement claims presented.

Verification scope and limitations

The verification scope covered waste diverted, renewable energy, energy saved and greenhouse gas abated values as presented in Tables 6, 7, 9, 11 and 13, as well as any additional greenhouse gas abatement claims contained within the body of the Annual Report. Where Sustainability Victoria was reliant on source data which was compiled and reported by external parties, Net Balance utilised discretion as to the credibility of sources to include or exclude these from the abatement claims.

Verification methodology

The verification engagement was undertaken during July and August 2011, and involved:

- a review of greenhouse gas abatement claims contained within the Annual Report
- sighting relevant supporting evidence to substantiate the greenhouse gas abatement claims made within the Annual Report
- a series of interviews with key personnel responsible for collating and writing various parts of the Annual Report in order to substantiate the veracity of selected claims.

Our opinion

Net Balance is satisfied that the greenhouse gas abatement claims made within the Annual Report are a fair and accurate representation of the organisation's performance during the period. Any errors identified during the verification process were rectified prior to the Annual Report being published.

On behalf of the verification team
 9 August 2011
 Melbourne, Australia

Terence Jeyaretnam, FIEAust
 Director, Net Balance & Lead CSAP (AccountAbility UK)

Appendix 3

Premier's Sustainability Awards 2011

Premier's Sustainability Awards 2011

The Premier's Sustainability Awards acknowledge excellence in sustainability in the community, built environment, large and small business, local and state government bodies, tertiary education, and in developing products and services. Sustainability Victoria has managed the Awards for the Premier since 2007. The theme of the 2011 awards was 'Lead, Create, Innovate', which highlighted the role these actions play in forging a future of sustainable energy and resource use for Victoria. An independent panel of experts judged a strong selection of submissions with winners recognised by nearly 700 guests at the awards ceremony at the Melbourne Convention Centre. A variety of organisations from the public and private sectors supported the sponsorship categories. Sponsors included Lend Lease (principal sponsor), Department of Education and Early Childhood Development (community award), Rheem/Edwards/Solahart (built environment award), Sensis (small business award), Yarra Valley Water (large business award), Publishers National Environment Bureau (state government award), SITA Environmental Solutions (local government award), TAFE Development Centre (tertiary education award) and La Trobe University (products or services award).

Premier's Recognition Award and Large Business Award – Godfrey Hirst Australia

Carpet manufacturer Godfrey Hirst Australia has introduced various sustainability practices over the last seven years. Wanting to minimise the impact of operations on the environment, the company has a manufacturing process that is efficient and environmentally responsible. It has introduced many initiatives to reduce, re-use and recycle, including its water treatment plant that is industry best practice in effluent recycling and storm water harvesting. Through its sustainability practices, it has reduced emissions by 45%, measured per metre of carpet, and delivered a 50% drop in water consumption, which is expected to fall even further. Godfrey Hirst Australia believes that monitoring emissions and ensuring the organisation is efficient and viable in the long run are key to maintaining and improving its sustainability.

The Large Business Award finalists were AGL Energy and Grocon.

Community Award – Hepburn Wind

Hepburn Wind has built Australia's first community-owned, cooperative wind farm at Leonards Hill, Central Victoria. Two newly constructed turbines will generate clean, safe electricity to the Hepburn region. Hepburn Wind provides not only renewable energy, but also benefits to the community and acts constructively toward energy transition. The project aims to deliver clean, safe electricity to all houses in Daylesford and much of the surrounding area, significantly decreasing the local community's carbon footprint. Hepburn Wind will offset more than 12,200 tonnes of carbon dioxide (CO₂) annually. It has created three local jobs, and plans to contribute around \$1 million from the sale of electricity back to the community through its Community Sustainability Fund.

The Community Award finalists were EW Tipping Foundation and Heyfield Community Resource Centre.

Tertiary Education Award – RMIT University

Melbourne-based RMIT University's Bachelor of Arts (Textile Design) program has explored and re-examined textile design practice through the 'Curriculum Change to Embed Sustainability' project. The project's focus was how to embed sustainability into the entire program. The project began in 2009, primarily to equip RMIT University graduates with increased awareness and capacity to create sustainability change in their careers. Having sustainability as a core principle of the discipline ensures that program graduates have the knowledge, skills and attitudes necessary to practise sustainably and keep textile design relevant in the 21st century.

The Tertiary Education finalists were Sunraysia Institute of TAFE and Wodonga Institute of TAFE.

Local Government Award – Whitehorse City Council

Whitehorse City Council's Whitehorse Sustainable Ambassadors Program was designed to empower its community to make sustainable changes and spread the sustainability message. More than 1,100 people in Whitehorse were engaged in different projects as part of a program involving sustainable living principles like: energy, water, recycling and waste efficiencies; 'green' cleaning; and healthy lifestyle activities. Begun in 2009, this was essentially an education and training program, shaping local sustainability champions. Several professional workshops were run, followed by a practical community project where participants could use their new knowledge to engage others. The program is ready to be duplicated, and other councils are looking to run similar programs in their municipalities.

The Local Government category finalists were Manningham City Council and MWH, Latrobe City Council.

State Government Award – Department of Treasury and Finance

The Department's Greener Government Buildings (GGB) initiative targets all existing government facilities, including offices, schools, hospitals, TAFEs, prisons, arts and cultural buildings. It aims to reduce the state government's environmental impact and operational costs, by improving the energy and water efficiency of its buildings and infrastructure. The Victorian Government estimates savings of over \$1 billion through reduced utility and maintenance costs. The GGB will deliver a 25% reduction in annual GHG emissions by 2020, with savings repaying the initial investment costs within seven years. The government will engage energy service companies to identify, design and implement energy and water conservation measures. The service companies may identify technology solutions like lighting retrofits, building automation, controls, heating and cooling systems.

The State Government category finalists were the Department of Health and Eastern Health.

Products or Services Award – Grocon

Development and construction group Grocon created Pixelcrete, a 'green' concrete substitute that is as strong as traditional concrete and can be used for the same applications. Pixelcrete has a three-point Green Star rating, containing many reclaimed and recycled aggregates and dramatically reducing Portland cement content. With Portland cement production accounting for nearly 5% of the world's annual greenhouse gas emissions, this product has great potential impact worldwide. The only concrete used in Grocon's Pixel building, Pixelcrete is believed to be the first 'green' concrete that can be used for in-situ casting of post-tensioned suspended slabs.

The Products or Services Award finalists were Closed Loop and Instyle Contract Textiles.

Built Environment Award – Grocon

Grocon's carbon-neutral Pixel building in Melbourne shows what offices may be like in a future where there are constraints on carbon pollution emissions and possibly water. The building is a prototype where technologies can be tested with a view to upscale certain elements for larger projects in the future. Features include world-first technology in the wind turbines, carbon-reduced Pixelcrete concrete, an anaerobic digester, gas-fired absorption chillers (with ammonia as the refrigerant), vacuum toilets and Victorian grasslands on the rooftop. Pixel has achieved a perfect GreenStar score, and aims to achieve the highest-ever environmental rating for buildings using the LEED and BREEAM environmental rating schemes.

The Built Environment Award finalists were antarctica and VicUrban, Burbank.

Small Business Award – 3Fish

3Fish delivers ethical Fairtrade clothing through various channels, including its own retail label, custom-made items and off-the-shelf corporate wear. The cotton, dyes and inks used in its fabrics are organic. Since beginning in 2008, 3Fish's principle has been to 'do the right thing', consistently making socially and environmentally responsible decisions, right down to recycled packaging and organic farming techniques. Always sustainability focused, the business has minimised printing, and uses hybrid vehicles. In the last two years, 3Fish has produced almost 83,000 organic cotton products, including garments, caps and tote bags. Using organic cotton rather than conventional cotton has saved 8.5 tonnes of toxic chemicals. 3Fish hopes to help more businesses (big and small), governments, retailers and not-for-profit organisations to realise they have ethical, commercially priced garment options readily available to them.

The Small Business Award finalists were Espresso Syndicate and Original Foods Sustainable Catering.

Appendix 4

Office-based environmental impact¹

Environmental Aspect	Description	Unit of Measure	2010–11	2009–10	2008–09	2007–08	2006–07
Energy ²	Use per THC ³	Megajoules per THC	3,064	3,174	3,108	3,119	n/a
	Use per FTE ⁴	Megajoules per FTE	3,040	3,416	3,344	3,344	6,721
	Use per square metre of office space	Megajoules per m ³	245	248	230	242	432.7
	Total use ⁵	Megajoules	474,930	470,688	448,046	408,600	764,240
	Total associated GHG emissions	Tonnes of CO ₂ equivalent	0	0	0	0	0
	Total Green Power	Percentage	100	100	100	100	100
Paper ⁶	Use per THC	Reams per THC	6.2	5.27	6.1	6.1	n/a
	Use per FTE	Reams per FTE	6.11	5.66	6.5	6.5	5.7
	Total use	Reams	955	780	873	793	651
Waste ⁷	Generated per THC	Kilograms per THC	56	51.8	50	45.3	n/a
	Generated per FTE	Kilograms per FTE	54.5	55.8	54	48.6	46.6
	Organics	Total kg to processor	2016	1,886	1,736	1,495	n/a
	Recyclable materials	Total kg to processors	6,344	5,349	5,204	3,845	n/a
	Waste material	Total kg to landfill	360	271	593	n/a	n/a
	Total recycled	Percentage	96	94	96	90	85
Water ⁸	Consumption per THC	Kilolitres per THC	4.64	5.42	5.17	10.94	n/a
	Consumption per FTE	Kilolitres per FTE	4.6	5.69	5.55	11.20	n/a
	Consumption per unit of office space	Kilolitres per m ²	0.37	0.41	0.38	0.83	n/a
	Total potable water consumption ⁹	Kilolitres	360	407	257	482	n/a
	Recycled water floor only ¹⁰	Kilolitres	359	417	487	764	n/a

Notes:

1. Sustainability Victoria had an average of over 500 clients/guest visitors per month (or approximately 23 a day) over the course of the financial year.
2. Includes electricity use directly in SV's office-based activities.
3. THC = Average Total Head Count for the year to 30 June 2011 which includes contractors employed at SV. Our contractors work on-site, using many of the same resources as employees at SV.
4. FTE is the average Full Time Equivalent staff for the year as of 30 June 2011.
5. Retail electricity billing 8% higher than on-site monitoring data. Online system data equivalent to 435,629 MJ or 225 MJ/m², well under target of 240 MJ/m².
6. One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
7. Waste figures come from one-week-a-month measurements taken throughout 2010–11 with a 5% variability range.
8. Figures include black-water treatment throughput but not base building services apportioned cooling tower top-up (unobtainable at the time of reporting). Previous year data updated to reflect 80/20 rule of black-water treatment run time, thus the increase from 2008–09 to 2009–10. Total base building apportioned water consumption, out of control of SV's influence, was 946 kL in 2010/11.
9. Total tenancy only, includes potable water associated with recycled water top-up, but not base building apportioned figure.
10. Our tenancy utilises recycled water for toilet flushing. The values here reflect how much total recycled water is circulated through the system throughout the year. Potable water (at least 20%) is excluded here, and added to the potable water values.

Environmental Aspect	Description	Unit of Measure	2010–11	2009–10	2008–09	2007–08	2006–07
Transportation ¹¹	Energy consumption per THC	Gigajoules per THC	1.24	1.32	1.3	1.46	n/a
	Energy consumption per FTE	Gigajoules per FTE	1.23	1.42	1.4	1.57	2.82
	Total energy consumption	Gigajoules	192.38	195.07	188	191.4	320.31
	Total associated GHG emissions	Kilograms of CO ₂ equivalent	12,874	13,054	12,547	13,840	22,229
	GHG emissions/1,000 km travelled	Kilograms of CO ₂ equivalent	144	104.5	104.3	124.6	118.7
	Travel associated with agency operations per THC	Kilometres per THC	1,801	843	868	848	n/a
	Travel associated with agency operations per FTE	Kilometres per FTE	1,786	907	933	909.3	1,647.3
	Total air travel associated with agency operations	Kilometres	435,873	124,977	125,074	111,117	187,315
	Employees regularly using public transport, cycling or walking to and from work	Percentage	88	93	96	93	90.4
	Employees regularly using more sustainable modes of transport ¹²	Percentage	23	32.8	21.8	25	n/a
Greenhouse Gas Emissions	Total GHG emissions associated with energy use ¹³	Kilograms of CO ₂ equivalent	19,789	0	0	0	0
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ equivalent	12,874	13,054	12,547	13,840	24,728
	Total GHG emissions associated with air travel	Kilograms of CO ₂ equivalent	279,188 ¹⁴	59,260	176,525	67,574	68,632
	Total GHG emissions associated with waste production	Kilograms of CO ₂ equivalent	368	449	271	429	816
	Total GHG emissions associated with offsets purchased ¹⁵	Kilograms of CO ₂ equivalent	537,786 (incl. 10% buffer)	265,743 (incl. 10% buffer)	398,560 (incl. 10% buffer)	313,000 (incl. 10% buffer)	316,093 (incl. 10% buffer)
	Total GHG emissions associated with scope of operational activities	Kilograms of CO ₂ equivalent	488,896	241,585	362,327	283,809	287,357

11. Excludes community facilitator vehicles, as each facilitator situation does not trigger reporting under FRD24C.

12. More sustainable modes of commuting include: cycling, walking and working from home.

13. The treatment of GreenPower has changed this year, with GreenPower purchasing no longer considered abatement for Scope 3 emissions. While SV purchased 100% GreenPower, remaining scope 3 associated emissions will be offset through the purchase of an accredited carbon offset product.

14. Increased Radiative Forcing Index from 2.7 in 2009–10 to 5 this year and a further delineation given to medium distance flights has resulted in a dramatic jump in emissions associated with air travel. Previous years have been updated using the same RFI as in 2010/11.

15. The operational aspects included in the scope of activities for purchasing carbon offsets are: apportioned base building electricity and gas, office tenant light and power, kitchen and vehicle refrigerants, waste to landfill, air travel, public transport, taxi travel, fleet and electric trial vehicles for work-based activities, paper and publications consumption, and base building apportioned water consumption. Each year a new Scope 3 item is added as part of our Carbon Accountability strategy. This year, electric vehicle is included under Scope 2. Buffer to cover any inaccuracies in calculating the components included within this Greenhouse inventory boundary.

Appendix 5

Workforce data staffing trends⁽¹⁾

	2011	2010	2009	2008	2007
	143	138	134	121	114
June 2010 – June 2011					
	Ongoing Employees ⁽¹⁾				Fixed term and casual employees
	Employees (headcount)	Full time (headcount)	Part time (headcount)	FTE ⁽²⁾	FTE ⁽²⁾
June 2011	119	102	17	113	30
June 2010	113	99	14	108	30
	2011			2010	
	Ongoing ⁽¹⁾		Fixed term & casual employees	Ongoing ⁽¹⁾	Fixed term & casual employees
	Employees (headcount)	FTE ⁽²⁾	FTE ⁽²⁾	Employees (headcount)	FTE ⁽²⁾
Gender					
Male	53	52	4	48	10
Female	66	61	26	65	20
Total Age					
Under 25	0	0	1	0	0
25-34	31	30	14	32	15
35-44	40	36	10	35	7
45-54	34	33	4	29	7
55-64	14	14	1	16	1
Over 64	0	0	0	1	0
Total Classification					
VPS 1	0	0	0	0	0
VPS 2	1	1	1	1	0
VPS 3	11	10	1	12	2
VPS 4	29	27	16	26	14
VPS 5	39	37	11	39	13
VPS 6	32	31	1	29	1
STS	1	1	0	1	0
Executive	6	6	0	5	0
Total	119	113	30	113	30

Notes:

⁽¹⁾ Ongoing employees includes people engaged in an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

⁽²⁾ FTE means full-time staff equivalent.

Further notes:

All figures reflect employment levels during the last full pay period in June of each year.

Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.

Figures shown in Workforce data staffing trends are FTEs, as opposed to Headcount, which has been reported in previous years.

Appendix 6

Our Executive Officers

Breakdown of executive officers into gender

	Ongoing				
	Male		Female		Vacancies
Class	Number	Variation ¹	Number	Variation ¹	Number
EO-1	0	0	1	0	0
EO-2	1	1	1	0	0
EO-3	2	0	1	0	0
Total	3	1	3	0	0

¹ Variation from previous reporting period.

Appendix 7

Occupational Health and Safety Statement

Sustainability Victoria's vision is for Victorians to use resources sustainably to support a thriving community and economy. Our purpose is to be 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 vision and purpose can only be achieved through our people. Their health and safety is critical to our success. 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 is essential to establish and maintain a healthy and safe working environment.

Sustainability Victoria will strive to provide working environments that are as safe and risk-free as practicable by:

- + maintaining a risk management process and ensuring its consistency with the nature of workplace activities and the scale of health and safety risks
- + complying with relevant health and safety legislation and other requirements placed on us 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
- + consulting with employees to ensure that all are included in the decision-making processes impacting on workplace health and safety

- + disseminating health and safety information to all employees, contractors, labour hire employees and visitors to the workplace
- + implementing health and safety policy effectively
- + implementing policy provisions 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 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 our efforts to meet our responsibilities by following the systems and procedures of work necessary for safe and healthy operations
- + participate in all appropriate training
- + report hazards, risks, incidents and OH&S concerns to their manager or OH&S representative.

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

Appendix 8

Our Occupational Health & Safety Performance

Performance against Occupational Health and Safety (OHS) management measures

Measure	KPI	2008-09	2009-10	2010-11
Incidents	No. of incidents	16	13	10
	Rate per 100 FTE	11.9	9.43	7.10
	Average time lost per occurrence	1 day	2 days	0
Claims	No. of standard claims ¹	0	0	0
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans	completed	completed	completed
Risk management	Percentage of internal audits/inspections conducted as planned	92%	100%	100%

¹ Data sourced from Victorian WorkCover Authority (VWA).

Appendix 9

Key stakeholders in our programs

Alcoa of Australia	Crema Constructions
Alex Fraser Group	CSIRO
Alternative Technology Association	Dairy Innovation Australia Ltd
Association of Victorian Regional Waste Management Groups	Deakin University
Aurecon	Deakin University, School of Health & Social Development
Australand	Delfin Lend Lease
Australian Battery Recycling Initiative	Department of Climate Change and Energy Efficiency (Commonwealth)
Australian Conservation Foundation	Department of Education and Early Childhood Development
Australian Council of Recyclers	Department of Education, Employment and Workplace Relations (Commonwealth)
Australian Food and Grocery Council	Department of Health
Australian Industry Group	Department of Human Services
Australian Information Industry Association	Department of Planning and Community Development
Australian Institute of Architects	Department of Premier and Cabinet
Australian Institute of Refrigeration, Airconditioning and Heating (AIRAH)	Department of Primary Industry
Australian Paint Manufacturers Federation	Department of Sustainability and Environment
Bioenergy Australia	Department of Transport
Box Hill Institute of TAFE	Department of Treasury and Finance
BREAZE Ballarat Renewable Energy and Zero Emissions	Embark
Brotherhood of St Laurence	Encompass Community Services
Building Commission	Energy Efficiency Council
Butt Littering Trust	Environment Protection Authority
Carpet Institute of Australia	EW Tipping Foundation
Central Gippsland TAFE	Facility Managers Association Australia
Central Victoria Solar City	Girl Guides Victoria
Central Victorian Greenhouse Alliance	Good Shepherd Youth and Family Services
CERES	Green Building Council of Australia
City of Melbourne	Greenfleet Australia
Commissioner for Environmental Sustainability	Group Training Association of Victoria
Community Housing Federation of Victoria	
Community Recycling Network	

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Health Purchasing Victoria	Steel Stewardship Forum
Housing Industry Association	Sustainable Living Foundation
ISPT	Sustainable Plumbing Solutions
Kensington Neighbourhood House	TAFE Development Centre
Kildonan UnitingCare	The Gordon Institute of TAFE
La Trobe University	The GPT Group
Lalor Living and Learning Centre	Try Youth and Community Services
Local Government Victoria, DPCD	UnitingCare Cutting Edge
Low Energy Supplies and Services	University of Ballarat
Master Painters Association of Victoria	University of Melbourne
Master Plumbers and Mechanical Services Association of Australia	Urban Development Institute of Australia
Metricon	Victoria University
Metropolitan Waste Management Group	Victorian Association for Environmental Education
Mission Australia	Victorian Employers' Chamber of Commerce and Industry
Monash Sustainability Institute, Monash University	Victorian Local Governance Association
Monash University	Victorian Waste Management Association
Moreland Energy Foundation	Victorian Water Industry Association Inc.
Municipal Association of Victoria	VicUrban
National Electrical and Communications Association	Villawood
North East Greenhouse Alliance	Vinyls Council Australia
Northern Alliance for Greenhouse Action	Waste Management Association of Australia
Packaging Stewardship Forum of the Australian Food and Grocery Council	Western District Community Health
PlanetArk Environmental Foundation	Western District Employment Access
Planning Institute of Australia	Western Port Greenhouse Alliance
Plastics and Chemical Industries Association	Westfield Shopping Centres
Powercor	Wingate Avenue Community Centre
Product Stewardship Australia	
Property Council of Australia	
Regional Waste Management Groups	
RMIT University	
Rural City of Wangaratta	
Scouts Victoria	
SecondBite	
SJB Urban	
Skills Victoria, DEECD	
Social Traders	
Southern Health	
St Laurence Community Services	

Appendix 10

Whistleblowers Protection Act

Whistleblowing Policy

1. Purpose

Sustainability Victoria is committed to the aims and objectives of the Whistleblowers Protection Act. We do not tolerate improper conduct by our, nor the taking of reprisals against those who come forward to disclose such conduct. The Protected Disclosure Coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action.

We recognise the value of transparency and accountability in our administrative and management practices, and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

2. Scope

This policy relates to all SV employees.

3. Background

The *Whistleblowers Protection Act 2001* encourages and facilitates the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers that make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

These procedures are designed to complement normal communication channels between managers and employees. You are encouraged to continue to raise appropriate matters at any time with your manager. As an alternative, you may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

4. Definitions

A whistleblower is any person who believes on reasonable grounds that a public officer or public body has engaged in or proposes to engage in improper conduct or reprisals against a whistleblower and who makes a disclosure in accordance with the Act about that improper conduct, or reprisal with a view to the matter being investigated and appropriate action being taken.

Improper conduct means:

- + conduct that is corrupt; or
- + a substantial mismanagement of public resources; or
- + conduct involving substantial risk to public health or safety; or
- + conduct involving substantial risk to the environment.

The Act requires that the above conduct would, if proven, be serious enough to constitute a criminal offence or reasonable grounds for dismissal.

A disclosure must contain the essential elements of a protected disclosure which must satisfy the following criteria:

- + a natural person (that is, an individual person rather than a corporation) is making the disclosure;
- + the disclosure relates to conduct of a public body or public officer acting in their official capacity;
- + the alleged conduct is either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure; and
- + the person making a disclosure has reasonable grounds for believing the alleged conduct has occurred.

5. Legislation

Whistleblowers Protection Act.

6. Policy Statement

Sustainability Victoria is committed to the aims and objectives of the *Whistleblowers Protection Act*.



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7. Procedure

Reporting

Disclosures of improper conduct or detrimental action by SV or our employees may be made to the SV Protected Disclosure Coordinator:

Ms Suzanne Knight

Executive Advisor
Level 28, Urban Workshop
50 Lonsdale Street
Melbourne Vic 3000
Telephone: (03) 8626 8840
Email: suzanne.knight@sustainability.vic.gov.au

A disclosure about improper conduct or detrimental action by SV or our employees may also be made directly to the Ombudsman:

Mr George Brouwer

Ombudsman Victoria
Level 9, North Tower
459 Collins Street
Melbourne Victoria 3000
(DX 210174)
Telephone: 9613 6222 or Toll Free: 1800 806 314
Internet: www.ombudsman.vic.gov.au
Email: ombudvic@ombudsman.vic.gov.au

Investigation

The Protected Disclosure Coordinator will appoint an investigator to carry out the investigation.

The objectives of an investigation will be to:

- + collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- + consider the information collected and to draw conclusions objectively and impartially;
- + maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- + make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

8. Related Documents

Not applicable

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For further information visit
sustainability.vic.gov.au

Sustainability
victoria

