



ANNUAL REPORT 2012–13

From the ground up

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PART 1

FOREWORD FROM THE CHAIR AND CEO

In 2012, we commenced our transformation to an organisation more focused on outcomes and stakeholder needs. Through the efforts of our dedicated people and the input from our many stakeholders, we now have a new strategy – SV2015 – our organisation’s keystone, which ensures we have a clear focus and a business model designed to enable delivery.

To ensure our success, we welcomed three new members to our executive leadership team and implemented significant governance reforms to optimise board processes. With a strong board and executive team in place and a clear strategy for the future, the organisation is now set up for success.

SV is now fully engaged in statewide waste planning, the development of critical waste and recycling infrastructure, and the development of new markets for recycled materials. We have also continued to promote the sustainable use of resources across all sectors of the economy, with a particular focus on the business sector.

Coupling waste reduction with an efficient use of resources, including materials and energy, is fundamental to Victoria’s liveability and prosperity. Better management of waste and resources also has strong advantages for Victoria’s productivity and competitiveness.

Through our statewide regional engagement team, we have continually looked for opportunities for regional Victorians to access programs that deliver integrated waste management and resource efficiency outcomes. We launched a new program called SV @ your doorstep, which focuses on delivering sustainable initiatives to rural areas and provincial cities. To ensure excellence in service delivery and to maximise access, we have provided better, more practical guidance and improved services to stakeholders.

We have also continued our commitment to equipping Victoria’s future leaders for a more sustainable future, through our ResourceSmart AuSSI Vic program. This year, 221 new Victorian schools joined the program, which has increased the total number of participants to more than 900 schools.

Considering our programs more broadly, all of those we have put in place in 2012–13 are aligned to our strategic priorities of integrated waste management and resource and energy efficiency.

In April 2013, the Victorian Government released *Getting full value: Victorian Waste and Resource Recovery Policy*. The policy sets a 30-year vision for Victoria and policy priorities for the next 10 years, providing the context to the work we commenced in 2012, such as the development of a statewide waste and resource recovery and infrastructure plan. Preparation of the plan had already commenced under SV2015 and will be released for consultation in late 2013.

Most of our existing programs align well with *Getting full value*. To ensure that our ongoing and future programs strongly reflect the priorities of *Getting full value*, our business plans for financial years 2013–14 and 2014–15 will be directed towards reinforcing governmental policy.

As part of the Victorian Government's Conserve, Invest and Save strategy, we launched the \$6.5 million Resource Recovery Infrastructure (RRI) fund to assist the development of major infrastructure to recycle and recover commercial and industrial waste and boost jobs in this sector. This complemented the Driving Investment in New Recycling (DINR) program, and the \$10 million Smarter Resources, Smarter Business program that will help provide Victorian businesses the support they need to implement resource-efficiency solutions that will help boost their bottom line and lessen their impact on the environment.

The year also saw a review of existing programs to determine their effectiveness and relevance to the Victorian community and refocus our efforts on new priorities. For instance, our introduction of a hot-water system rebate more than a decade ago has been successful in fostering a sustainable and well-established industry, allowing culmination of this program. We are pleased to report that, by the conclusion of the program in June 2013, more than 39,000 Victorian households have accessed the solar hot-water rebate, representing a combined saving in excess of \$10 million per year. More than half of new homes in Victoria now install solar hot water, and 90% of solar hot-water systems are installed in new homes.

It is with pleasure and pride that as Chair and CEO, respectively, we present this Annual Report 2012–13 as the official record of a year of significant change and achievement for Sustainability Victoria.



Dr Gillian Sparkes
Chair



Stan Krpan
Chief Executive Officer



Dr Gillian Sparkes
Chair



Stan Krpan
Chief Executive Officer

PART 2

ABOUT SUSTAINABILITY

VICTORIA

Sustainability Victoria (SV) is a Victorian Government Statutory Authority established under the *Sustainability Victoria Act 2005* (Vic).

The responsible Minister for the period from 1 July 2012 to 30 June 2013 was the Hon. Ryan Smith MP, Minister for Environment and Climate Change.

Through practical programs, investment and support, SV helps households and businesses adopt more sustainable practices to ensure a healthy environment, community and economy, now and for the future.

OBJECTIVES, FUNCTIONS AND POWERS

Our Objectives are to facilitate and promote environmental sustainability in the use of resources.

Our functions are contained in the Sustainability Victoria Act 2005, Part 2(7).

Our powers are contained in the Sustainability Victoria Act 2005, Part 2(8).

OUR ROLE

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

OUR VISION

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

SV:

- provides statewide leadership in waste management
- implements key aspects of the current waste strategy *Getting full value: Victorian Waste and Resource Recovery Policy*
- works closely with agencies in the environment portfolio (Department of Environment and Primary Industries [DEPI], Environment Protection Authority Victoria [EPA], Metropolitan Waste Management Group [MWMG] and Regional Waste Management Groups [RWMGs]) to reduce waste and increase resource recovery
- works to improve materials and energy efficiency in selected sectors to help achieve the Victorian Government's policy objectives. These objectives are to reduce pressures on the costs of living and of doing business, to ensure a secure and reliable energy supply and reduce greenhouse gases.

OUR STAKEHOLDERS

Providing a positive and responsive customer-focused culture is crucial to the way we communicate with our stakeholders.

We are committed to improving access to our programs and services statewide, and to engaging with regional and metropolitan stakeholders to improve how these programs are delivered.

Our board, executive and staff recognise, appreciate and thank all the partners and stakeholders who work with us to improve Victoria's liveability. The stakeholder groups with which we engage to deliver the SV2015 Strategic Plan include:

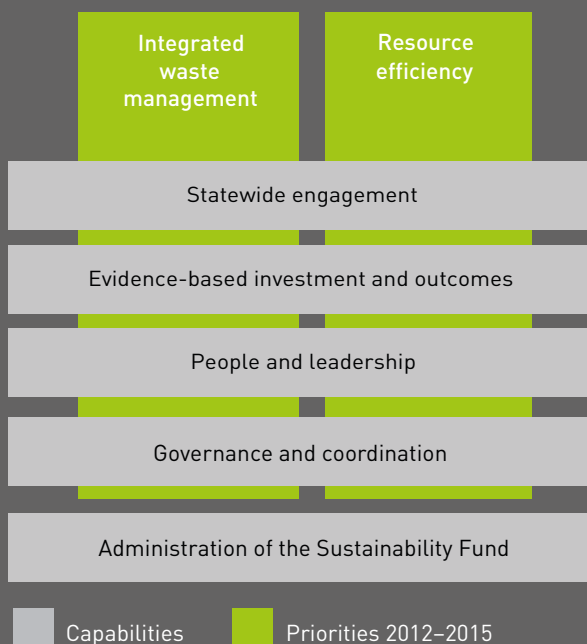
- government departments and agencies, both state and Commonwealth
- metropolitan and regional waste management groups
- local governments
- peak business and industry councils and associations
- the commercial building sector
- the construction sector
- waste management and recycling businesses
- primary and secondary schools
- retailers and service providers.

OUR STRATEGIC PLAN

SV2015 outlines a practical, economic approach to achieving environmental outcomes by:

- helping businesses and households use resources more efficiently
- viewing waste as a resource by developing markets for waste products and materials.

Our strategic framework for SV2015 is represented below.



Delivering on our strategy will achieve eight key outcomes.

Integrated waste management outcomes:

- 1 development of new or expanded markets for recycled products that pose a risk and/or are a valuable resource
- 2 increased recovery of priority products and materials that contribute weight, that pose a risk and/or are a valuable resource
- 3 improved standard of infrastructure and its development
- 4 increased uptake of waste minimisation practices in targeted sectors for maximum gain
- 5 reduced littering behaviour and litter.

Resource efficiency outcomes:

- 6 increased energy efficiency of selected sectors in commercial office buildings and households
- 7 increased energy and materials efficiency of selected stakeholders in medium enterprises and schools
- 8 increased uptake of technologies that reduce environmental impacts, as part of an integrated approach to energy efficiency in targeted sectors.

SV2015 also set an agenda to transform us into an efficient and evidence-based organisation that puts engagement with our partners and stakeholders at the heart of our operations. This transformation will be achieved by developing capabilities in five key areas that will enable us to deliver our programs and services:

- statewide engagement
- evidence-based investment and outcomes
- people and leadership
- governance and coordination
- administration of the Sustainability Fund.

This annual report reflects on the first year of our three-year strategy and the steps we have taken to achieve our strategic priorities.

PART 3

OUR BOARD AND EXECUTIVE TEAM

OUR BOARD

Our board comprises seven 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 board member to the Minister for Environment and Climate Change.

ROLE OF THE BOARD

To meet its responsibility for good governance and effective leadership, the board:

- sets our strategic direction, objectives and performance targets
- appoints the Chief Executive Officer (CEO)
- 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

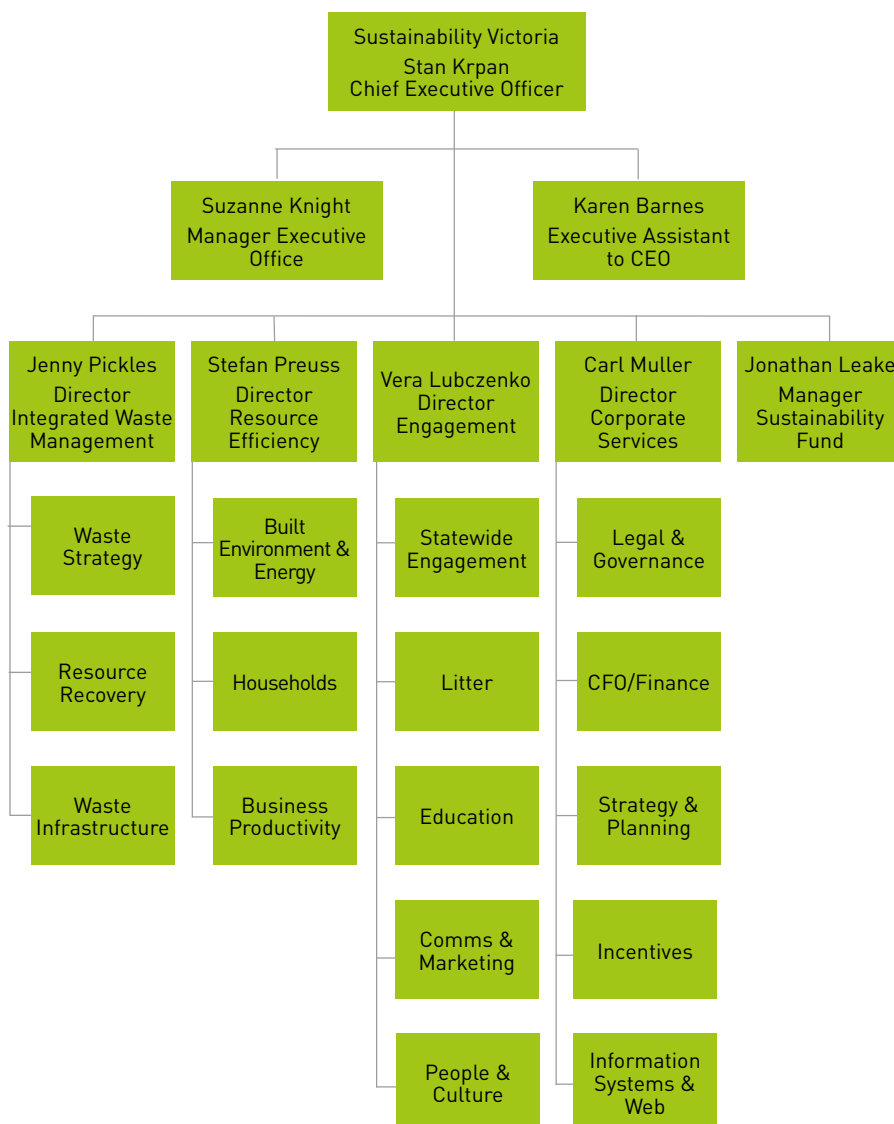
Dr Gillian Sparkes is the Chair of the Board, and Mike Hill the Deputy Chair. Other members are Cheryl Batagol, Suzanne Evans, Ross McCann, Tony Hinton and Ron Lovett.

See Appendix 1 for more information about board members and details of the operations of the board and its committees.

OUR EXECUTIVE TEAM

The team comprises the CEO, supported by four Directors who are accountable for line management, key organisational functions and program delivery.

Our executive team as at 1 July 2013:



PART 4

OUR PERFORMANCE

In 2012–13, the first year of our SV2015 Strategic Plan, we have been preparing for our future as a more outcomes-driven and stakeholder-focused organisation.

We have aligned our organisational structure, with a focus on developing our core capabilities and internal culture to reflect our new strategic intent, and commenced delivery across a range of program areas.

The following table provides an overview of the main programs and initiatives discussed in this report, classified according to their SV2015 outcomes.

Outcome	Program/initiative
Integrated waste management	
Increased recovery of priority products and materials that contribute weight, that pose a risk and/or are a valuable resource	Batteryback Paintcare Detox Your Home Get it Right on Bin Night Increased source separation and recycling (commercial and industrial)
Improved standard of infrastructure and its development	Driving Investment in New Recycling (DINR) Resource Recovery Infrastructure (RRI) Building Victoria's Organics Recovery (BVOR) Beyond Waste
Increased uptake of waste minimisation practices in targeted sectors for maximum gain	
Reduced littering behaviour and litter	Roadside Litter Public Place Recycling grants
Waste strategy, statewide planning and support to waste management groups	Draft Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP)
Resource efficiency	
Increased energy efficiency of selected stakeholders in commercial office buildings and households sectors	Smarter Choice Energy and Water Taskforce Solar hot-water, gas-heater, whitegoods and rainwater-tank rebates
Increased energy and materials efficiency of selected stakeholders in small to medium enterprises and schools	ResourceSmart Australian Sustainable Schools Initiative Victoria (AuSSI Vic) Smarter Resources Smarter Business
Increased uptake of technologies that reduce environmental impacts as part of an integrated approach to energy efficiency in targeted sectors	Smart Energy Zones (SEZ)
Business plan outcomes	
Statewide engagement	Premier's Sustainability Awards SV @ your doorstep

This section of the report details the outcomes we achieved over the year, according to our current strategic priorities in leading Victoria towards better integrated waste management and resource efficiency. It also describes how our organisation has

delivered on its four core capabilities, namely statewide engagement, evidence-based investment and outcomes, people and leadership, governance and coordination, as well as administration of the Sustainability Fund.

INTEGRATED WASTE MANAGEMENT

Victoria faces a number of challenges and opportunities for waste and resource recovery over the next 30 years. Our population is growing and with that comes a need to be even smarter about the way we manage our waste. Waste sent to landfill often contains products and materials that can be used to make new products. Our waste is an asset with the potential for positive economic, environmental and social outcomes. This is the driving principle behind *Getting full value: Victorian Waste and Resource Recovery Policy*.

Our integrated waste management programs focus across the entire waste management lifecycle, including waste avoidance, generation, collection, recovery, reuse, treatment and disposal.

Lifecycle of waste system



Through the Victorian Government's Conserve, Invest and Save strategy, we have been partnering with local governments and the waste and resource recovery industry to improve waste infrastructure and increase recovery and recycling, which includes targeting organics in the waste stream.

Since the release of *Getting full value* on 16 April 2013, we have been reviewing our business plan to ensure alignment with the policy. As a consequence, we are no longer reporting against the targets established in the former Towards Zero Waste strategy.

In working to deliver against the policy outcomes, our areas of focus during the year were:

- developing new or expanded markets for recycled products and materials that pose a risk and/or are a valuable resource
- increasing recovery of priority products and materials that contribute weight to landfill, pose a risk and/or are a valuable resource

- improving the standard of infrastructure and its development
- increasing uptake of waste minimisation practices in targeted sectors for maximum gain
- reducing littering behaviour and litter.

Our performance in each of these areas is outlined on the following pages.

1. MARKET DEVELOPMENT FOR WASTE PRODUCTS

DEVELOPING NEW OR EXPANDED MARKETS FOR RECYCLED PRODUCTS AND MATERIALS THAT POSE A RISK AND/OR ARE A VALUABLE RESOURCE

Current focus

Supporting the development of commercial markets for waste products and their derivatives will help Victoria realise the full economic potential of its waste stream.

However, these are young and emerging markets with specific challenges, including:

- lower market value often being assigned to recovered materials due to contamination reducing the perceived or actual quality of waste-derived products (including recycled organic products)
- inconsistent supply and quality of recycled products, resulting in consumer preference for alternative products
- availability of low-cost alternatives as direct competitors to recycled products
- difficulty in understanding and demonstrating the true value of recycled organics products compared to alternatives
- recovery of some materials being supply-driven and not demand-driven, leading to low-value commodity streams and stockpiling.

Key achievements

In 2012–13, we worked closely with the recycled organics industry to support long-term strategic field trials of compost in the Victorian Mallee region and to identify new markets for these types of products. We also worked to improve the evidence base informing future market development for organics, timber, aggregates and glass. Our research identified opportunities to reduce contamination within the waste stream and to influence current industry standards.

Market snapshot: organics

The organics market analysis was completed. This evidence will help guide and inform a five-year industry market development strategy and accompanying training program to implement the agreed strategy.

With our support, the Compost Victoria (CV) Market and Industry Development Officer (MIDO) achieved some key milestones, including:

- establishing five compost demonstration trials in strawberry, blueberry, blackberry and raspberry farms. Growers were satisfied with the organic material produced and reported clear visual differences between plots with compost and those without
- learning opportunities for CV members, including training on compost certification and a study tour to visit leading composters in South Australia.

Comprehensive social research into the recycling behaviours of Melbourne residents has identified that most residents are enthusiastic recyclers. However, there is a gap between their intent and actual recycling practices. This disparity is strongly influenced by a lack of knowledge about what can be recycled, how much cleaning of recyclable materials is required, and causes of contamination in the waste stream.

Considering all sources of waste, 978,000 tonnes of organics were recovered for reprocessing in the 2011–12 financial year, including 499,000 tonnes of garden organics.

Common barriers to recycling are:

- the low ranking of waste as a cost issue (relative to other business costs) and the perception that recycling is an added cost that will take up staff time
- contracting arrangements that lack strong feedback mechanisms and do little to encourage businesses to adopt source-separation practices
- a lack of strong, robust data to provide the market with the information it needs to make more accurate and informed decisions about waste produced by this sector
- restrictions on 'back-of-house' space for recycling infrastructure
- limited innovation, particularly in the area of precinct-based systems that use permanent infrastructure and supplier return arrangements to aggregate materials at distribution centres
- ineffective education about recycling systems for staff, workers and visitors.

Priority products are products that potentially pose a risk to humans and or the environment and are particularly important for recovery, such as batteries, paint, tyres and household toxic products.

2. PRODUCTS AND MATERIALS

INCREASING RECOVERY OF PRIORITY PRODUCTS AND MATERIALS THAT CONTRIBUTE WEIGHT TO LANDFILL, POSE A RISK AND/OR ARE A VALUABLE RESOURCE

Current focus

The recovery of resources in Victoria is not yet at world's best practice and the resulting waste is a missed economic opportunity for business, strains the waste management system in parts of the state, increases costs to Victorians and poses a threat to the environment.

The amount of waste generated by Victorian households, businesses and industry has been increasing for the last decade. However, in 2011–12, waste generation actually declined to total 11.58 million tonnes, and around 3.6 million tonnes of this was sent to landfill. Overall, Victorian waste generation is still trending upward and if this pattern continues, the amount of landfill waste is projected to increase to nearly 5 million tonnes by 2041–42.

7,939

VICTORIAN HOUSEHOLDS
USED THE DETOX YOUR
HOME SERVICE

↑35

BATTERY BACK
COLLECTION SITES

85

TONNES TRADE WASTE
PAINT COLLECTED
THROUGH PAINTCARE

30

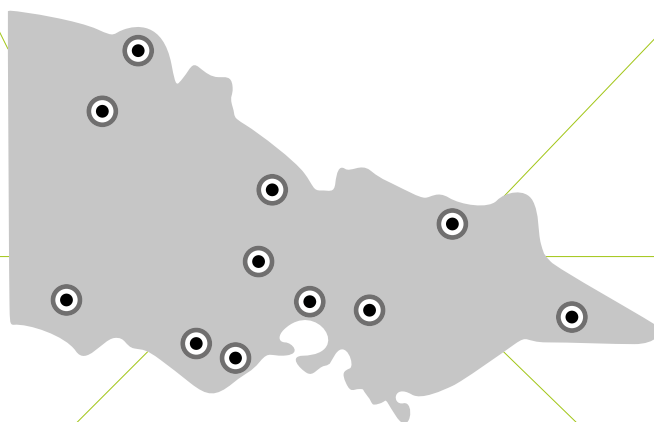
MOBILE COLLECTIONS
FOR PROBLEMATIC
HOUSEHOLD MATERIALS

1,082

TONNES OF HARMFUL WASTE
COLLECTED THROUGH THE
DETOX YOUR HOME SERVICE

↓7%

REDUCTION IN RECYCLABLES
PLACED IN LANDFILL



There are two notable market failures relating to priority products:

- an inadequate ability to recover products that may harm the health of the general community and the environment
- a lack of awareness about the potential impact of these types of products.

Current recovery systems are inefficient and are not capturing most priority products from the waste stream. The Batteryback, Paintcare and Detox Your Home initiatives help address these inefficiencies.

Key achievements

During the year, we evaluated the Get it Right on Bin Night campaign, an initiative we ran from May to July 2012 in metropolitan Melbourne in partnership with the Metropolitan Waste Management Group and councils, with the support of the Australian Packaging Covenant. This evaluation found that the proportion of recyclables placed in plastic bags (i.e. sent to landfill) decreased from 28% to 21%. Moreover, 59% of the target audience reported a positive improvement in recycling behaviour after seeing campaign advertisements. We used this evaluation to inform the design of the next phase of Get it Right on Bin Night, which will include expansion of the campaign beyond metropolitan Melbourne to all of Victoria.

We also supported the trial of organics recycling collections in Mildura (incorporating 980 households), the Grampians, East Gippsland, Corangamite and Wodonga.

Our Detox Your Home program aims to remove problematic household materials from landfill and waterways by safely disposing of them without harm to human health or the environment. Over the year, the program ran 30 mobile collections in locations including Bendigo, Cheltenham, Donald, Hadfield, Malvern, Warragul, Warrnambool and Wedderburn, as well as 12 permanent drop-off sites. A total of 7,939 Victorian households used the service, with 1,082 tonnes of waste collected.

This year, with the support of the Australian Battery Recycling Initiative, we have increased the total number of Batteryback collection sites across the state from eight to 43. We have also started six Paintcare trials, which have collected almost 85 tonnes of trade waste paint.

SHOWCASE

PAINTING A BETTER FUTURE FOR VICTORIA

Market failures in the collection, recovery and processing of certain household products mean that such products often pose a serious risk to the health of the general community and the environment. Meanwhile, the opportunity to recover valuable materials from the waste stream is missed. SV2015 recognised that product stewardship offered a way to partner with industries and encourage greater responsibility for products throughout their entire lifecycle.

Each year, approximately 264 million household batteries and 18,000 tonnes of waste paint and associated packaging require disposal in Australia. Unfortunately, only a small percentage is successfully recovered. A lack of safe and effective disposal methods for these products has a negative impact on humans and the environment, including our waterways. Furthermore, it reduces the potential to recycle useful and expensive components.

As the delivery arm for the government's environment portfolio, we are tasked with implementing the strategies detailed in the Towards Zero Waste Policy, now superseded by *Getting full value: Victorian Waste and Resource Recovery Policy*, as well as undertaking certain jurisdictional responsibilities as part of the Commonwealth Government's National Waste Policy. The latter, to which we are a major contributor, specifically earmarked waste paint and domestic batteries as products requiring stewardship arrangements.

We have successfully employed the voluntary, co-regulatory and mandatory frameworks set out in the *Product Stewardship Act 2011* (Cth) to engage and lead industries in improving the recovery and recycling of these priority products. Drawing on strong relationships with key industry bodies, we partnered with the Australian Paint Manufacturers Federation, the Master Painters Association, the Australian Battery Recycling Initiative, and major retailers and processors to deliver the business and public-policy case for waste paint and battery stewardship.

In parallel to this, we conducted on-the-ground trials to accurately quantify waste and identify areas of inefficiency. Such trials not only support the business case for stewardship but also help lead the direction of the response by industry.

Due to our continuing efforts, the paint and battery industries have embraced product stewardship, through dedicated project administration, promotion to members and consumers, and direct financial support.

Through strong partnership with the paint industry and support from all states and territories, Victoria now leads the development of a national approach to managing waste paint.



What was delivered

Waste paint:

- developed the business case for paint stewardship as a foundation for a national approach
- designed an Australian-first trial evaluating trade waste paint and associated behaviours, which resulted in almost 85 tonnes of waste paint being diverted to six Paintcare sites across Victoria
- completed a research options paper for waste paint that explores alternative market solutions, including polymer-modified concrete.

End-of-life batteries:

- developed the business case for battery stewardship
- expanded Batteryback to 43 Victorian locations, including a trial in nine locations through the Grampian Regional Waste Management Group; over 5 tonnes of used batteries, equivalent to almost 218,000 AA batteries, have been collected statewide through this service
- collected data from Batteryback that will help inform a national approach to managing domestic batteries when end-of-life, which is being led by the Queensland Government
- facilitated the development and distribution of safety guidelines for the collection, storage, handling and transport of batteries via the Australian Battery Recycling Initiative.

3. INFRASTRUCTURE

IMPROVING THE STANDARD OF INFRASTRUCTURE AND ITS DEVELOPMENT

Current focus

At present, the existing infrastructure for collecting, sorting, separating and processing waste still means that valuable resources are sent to landfill.

The waste we send to landfill contains valuable resources and it costs the community to ensure this waste is properly managed. Increasing resource recovery represents an economic opportunity for the whole of the state. The future challenge is to effectively manage the expected mix and volume of waste by supporting a viable resource recovery industry that reduces the amount of valuable material going to landfill, while capturing the opportunities that this industry provides the Victorian economy.

In April 2013, the Victorian Government released *Getting full value: Victorian Waste and Resource Recovery Policy*. The policy sets a 30-year vision for an integrated, statewide waste management and resource recovery system that provides an essential community service by protecting the environment and public health, maximising the productive value of resources, and minimising long-term costs to households, industry and government.

The commercial and industrial (C&I) sector generates 4 million tonnes of recoverable waste per annum, of which 64% (3.2 million tonnes) is recovered. Because of limited capacity to process mixed C&I loads, valuable materials, including cardboard, timber, plastics and organic material (such as food waste), are going to landfill and are therefore being lost to the economy. In addition, 1.6 million tonnes of municipal solid waste (MSW) is sent to landfill, of which a significant proportion (approximately 682,000 tonnes) is organic waste that can be recycled, reused or recovered.

Organic materials represent a valuable resource. Once treated and/or stabilised, they can generate bio-energy and be composted for soil-conditioning and land-management products. Failure to recover organic material can also increase the environmental and public health risks associated with landfills, such as higher production of methane (and related odour) and leachate.

Major funding initiatives

The Victorian Government announced over \$38 million for a range of programs as part of Conserve, Invest and Save to deliver better environmental outcomes by helping businesses and households manage waste and resources more efficiently. Conserve, Invest and Save programs aim to maximise the value of resources and help create new and sustainable employment across the state.

Given our current focus, the following funds have been set up to help address infrastructure deficiencies:

1. The \$5 million Driving Investment for New Recycling (DINR) is a grants program with round 1 completed in the 2012–13 financial year. The second round of Driving Investment for New Recycling attracted a very strong field of applicants, indicating a strong pipeline for future investment in new recycling projects. The total funding requested from SV was approximately \$18 million, attracting private sector investment in excess of \$85 million. This fund supports the installation or upgrade of recycling facilities. These facilities will significantly increase the recovery of valuable material and divert it from landfill by:

- recovering recyclable material and developing refuse-derived fuels, through sorting and separating mixed C&I waste streams
- managing, treating or stabilising food organics from the C&I sector.

2. The \$6.5 million Resource Recovery Infrastructure (RRI) fund aims to encourage the waste management industry to invest in large-scale initiatives that increase the recovery of valuable materials from the C&I waste stream. These initiatives aim to recover more than 75% of waste in facilities processing over 100,000 tonnes per annum.

3. The \$2.5 million Building Victoria's Organics Recovery (BVOR) fund supports the diversion of organics from landfill through:

- a targeted program; \$2 million for large-scale infrastructure for recovering and treating organics in regional Victoria (Geelong, Ballarat, Bendigo and the Latrobe Valley)
- an open program; \$500,000 for small-scale infrastructure for recovering and treating organics in regional Victoria (excluding Ballarat, Bendigo, Geelong and the Latrobe Valley).

Key achievements

Installation began on seven projects funded under the first round of the DINR fund (in 2011–12). These projects will improve the collection, sorting and processing of products such as mercury lamps and silage wrap.

This year, we opened new funding rounds for the DINR and RRI funds, which attracted a large number of submissions. Successful projects will be announced early in 2013–14.

Through the BVOR fund, we also provided four grants for organics recovery in rural areas. The grant recipients were East Gippsland Shire, Corangamite Shire, Shire of Southern Grampians and TPI Cleanaway.

As a result of the work undertaken in developing the draft Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP), we also now have a comprehensive picture of waste and infrastructure activities across the state. During the consultation process for the SWRRIP, our data will be further refined and provided to stakeholders in a readily accessible framework.

Developing the draft SWRRIP has involved a detailed analysis of the current system, including mapping the locations of more than 500 pieces of waste and resource recovery infrastructure, analysing the expected mix and volumes of waste, and assessing current capacity and future needs (including future land-use requirements).

The SWRRIP represents the first time that Victoria will have a single document that brings together the evidence base needed to guide waste and resource recovery infrastructure planning at all levels across the state.

SHOWCASE

BUILDING A STRONG FOUNDATION FOR C&I WASTE RECOVERY

Approximately 9,000 tonnes of plastic packaging is used for fodder protection on Victorian farms every year, with more than 85% of this plastic either burnt on farms or buried.



A Mordialloc business, Polymer Processors, is helping address this waste of plastic packaging. The business has received funding under the first round of Driving Investment for New Recycling to establish the only silage wrap recycling facility in Australia.

Australian plastics supplier Tapex, through the Plasback program, provides Polymer Processors with used agricultural silage wrap from farming communities across Victoria. Polymer Processors then cleans the silage wrap and refines it into plastic pellets. These are provided back to Tapex, which uses them to manufacture Tuffboard™, a material used in agricultural products such as flooring for sheep-shearing sheds.

What it means for Victoria

With the installation of new technology to shred, wash and pelletise silage wrap, it is estimated that Polymer Processors will recover between 1,000 and 2,000 tonnes of silage wrap in the first year, increasing to 5,000 tonnes after three years – representing 60% of the total amount generated in Victoria annually.

This initiative demonstrates how government and business can work in partnership to drive innovative market solutions to environmental challenges.

Above: Member for Mordialloc Lorraine Wreford, Minister for Environment and Climate Change
Ryan Smith, Managing Director Polymer Processors
John Wilson

4. WASTE MINIMISATION

INCREASING UPTAKE OF WASTE MINIMISATION PRACTICES IN TARGETED SECTORS FOR MAXIMUM GAIN

Current focus

Waste reduction can deliver both economic and environmental benefits to Victoria. Minimisation of business waste is currently being addressed through the Beyond Waste fund, established by the Victorian Environment Protection Authority (EPA) in 2010 and transferred to Sustainability Victoria in June 2012. By supporting innovations that reduce waste generation, this two-year, \$1.35 million funding program aims to help businesses reduce the amount of waste sent to landfill.

Beyond Waste works hand in glove with the Smarter Resources Smarter Business program. Nine projects were funded under this program, across sectors including manufacturing, construction, health and food processing, and two are already complete. Many of the projects involve working closely with a number of businesses to identify their waste minimisation opportunities. One example is the completed Victorian Employers' Chamber of Commerce and Industry (VECCI) project that was delivered to 25 businesses. Program findings will be evaluated and will inform the basis of a communications strategy to help businesses understand the true cost of waste and approaches to reduce it.

We have developed a waste minimisation framework to guide future programs in this area. This framework has identified the highest priority to be food waste, from both households and businesses. A strategy to address key causes of food waste from different sectors is currently being developed. This will include a targeted education program for households, based on research that was conducted in 2012–13.

There is significant scope for reducing household waste. Food waste accounts for about one-third of the material placed in household rubbish bins, nearly all of which is sent to landfill.

In 2013–14, we will use the information gathered over the course of this year to finalise our waste minimisation framework.

Key achievements

Two of the nine Beyond Waste projects were completed this year. One of these projects was undertaken by VECCI, which involved conducting 25 waste assessments of businesses. The assessments identified the potential for these businesses to reduce a combined 1,367 m³ of waste and save more than \$180,000 in direct costs.

In 2012–13, we also commissioned research that will help us better understand the quantity and types of food waste being sent to landfill.

5. LITTER

REDUCING LITTERING BEHAVIOUR AND LITTER

Current focus

Victoria has a strong track record in reducing litter, but the financial cost of litter remains an ongoing issue, both for government organisations that manage public land and for private landowners and businesses. Littering can also adversely affect communities by reducing their amenity, community pride and sense of safety.

Lifestyle changes mean that people are now spending more time in public places and consuming more items outside the home, which increases the potential for litter and may lead to the loss of potentially reusable or recyclable materials. Also of growing concern is the illegal dumping of household items, such as televisions, mattresses, small electric appliances and furniture, in public places and on private land.

By better understanding littering behaviours, in particular illegal dumping, we can develop an informed approach to litter reduction.

Key achievements

The Victorian Government's Victorian Litter Strategy 2012–14, Love Your Victoria, was released this year. The updated strategy reflects recent and relevant changes, challenges and opportunities for litter prevention in Victoria. It also outlines new programs for reducing litter, increasing public-place recycling and addressing illegal dumping.

Through the Roadside Litter program, which aims to help reduce litter along Victoria's roadsides, we awarded grants worth a total of \$309,103 to eight organisations in January 2013. Grant recipients included local governments and regional waste management groups undertaking projects related to litter education, surveillance equipment and roadside signs. Communities to benefit from the grants include Mornington Peninsula, Dandenong, Wyndham City, South Gippsland, Bass Coast, Geelong, Surf Coast and the Central Murray and South West regions.

These grants have been complemented by the Adopt a Roadside program, which is part of the Keep Australia Beautiful Victoria initiative. Through Adopt a Roadside, 112 community organisations have collected an estimated 62 tonnes of litter from 520 kilometres of Victoria's roadsides over the year.

1,800

PUBLIC PLACE RECYCLING
BINS INSTALLED

49%

OF COLLECTED WASTE
MATERIALS DIVERTED
FROM LANDFILL

From the 24 Public Place Recycling grants we issued in 2011, 12 projects were concluded this year. Through these projects, 1,800 bins have been installed at locations including metropolitan train stations, parks, sports grounds and thoroughfares. The projects were successful in diverting an average of 49% of waste materials from landfill (by volume) for recycling. This is an excellent first-year result, reflecting changing community attitudes towards recycling.

We have also continued our proud tradition of recognising Victorian communities' achievements in improving their local environment, through Keep Australia Beautiful Victoria. This year, the Tidy Town of the Year award went to Wycheproof (population 800), while the City of Boroondara won Sustainable City of the Year.

6. WASTE STRATEGY, STATEWIDE PLANNING AND SUPPORT TO WASTE MANAGEMENT GROUPS

WORKING TOWARDS BEST-PRACTICE WASTE MANAGEMENT

Current focus

Our waste management in Victoria, particularly recovery of resources, is yet to achieve global best practice. For example, we have not yet established the infrastructure required to effectively transport, aggregate and process waste resources for maximum recovery. Further, some infrastructure does not provide adequate environmental protection or long-term solutions to waste disposal requirements.

To address these issues, the Victorian Government's waste and resource recovery policy, *Getting full value*, aims to facilitate a waste management and resource recovery system that maximises the economic value of waste. Strategic objectives include development of a cost-effective, statewide network of infrastructure that is capable of moving waste materials to areas where the highest economic value can be achieved.

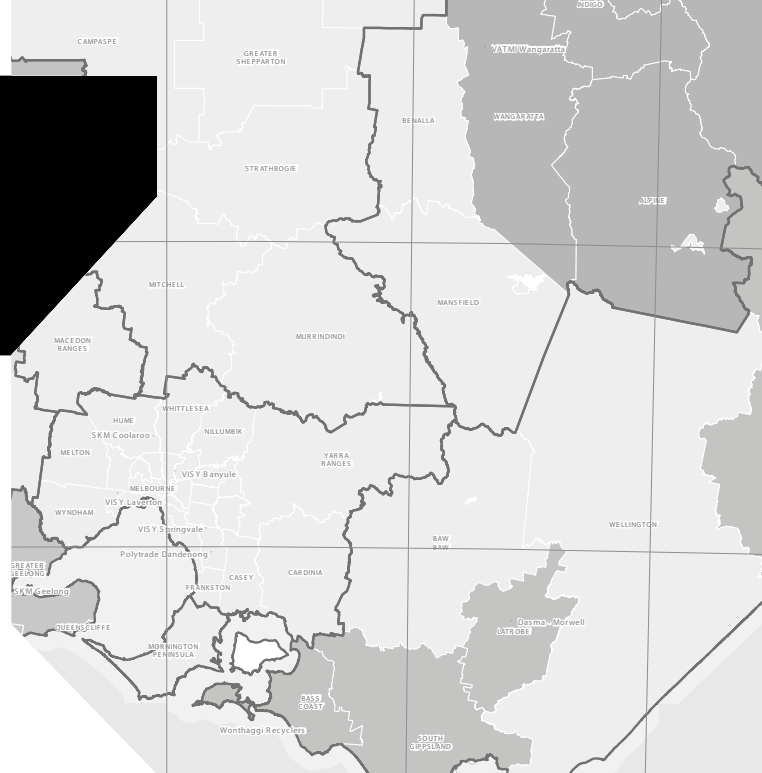
Key achievements

In line with our aim to improve resource recovery in regional Victoria, we committed \$3 million to enable regional waste management groups, in partnership with their respective local government members, to deliver region-specific and local projects this year. We also supported the development of *Getting full value*, along with our environment portfolio partners.

SHOWCASE

A CLEAR DIRECTION FOR INTEGRATED WASTE MANAGEMENT IN VICTORIA

Once completed, the Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP) will directly support the implementation of *Getting full value: Victorian Waste and Resource Recovery Policy*.



It will provide a coordinated approach to developing an integrated statewide waste and resource recovery system by:

- gathering and analysing a substantial amount of consolidated data relevant to the waste management sector and to local government
- providing data necessary for industry to properly assess investment opportunities, including current and projected information on various recovered materials and their sources
- providing guidance to regional waste management groups and local government about planning for waste and resource recovery infrastructure
- communicating the Victorian Government's direction for integrated waste management.

To enable industry to invest in infrastructure with confidence, there will need to be economically viable quantities of consistent-quality recovered materials, long-term availability of land, and clarity on government priorities and directions.

A materials-based approach will help encourage industry investment in resource recovery, while simultaneously meeting the needs of waste management stakeholders, including local governments. The SWRRIP will not prescribe solutions but rather will guide government priorities and enable stakeholders to make informed decisions.

A consultation draft for development of the SWRRIP is expected to be released in late 2013, which will be followed by an extensive consultation process. The final SWRRIP will be released in early 2014.

What was delivered

In 2012–13, as part of the consultation process for development of the SWRRIP:

- We conducted research into the location of 513 waste and resource-recovery facilities in Victoria, and prepared comprehensive maps outlining the movement of the main resources across the state.

We consulted with:

- our expert reference group for waste management
- the Waste Policy Project Control Board, comprising executive management from the Environment Protection Authority (EPA), the Department of Environment and Primary Industries (DEPI), the Metropolitan Waste Management Group and Sustainability Victoria
- the EPA, DEPI, waste management groups and industry representatives.

EXPERT REFERENCE GROUP

Sustainability Victoria works closely with industry when designing programs and funding. In 2012, the SV board established an Expert Reference Group (ERG) to provide strategic advice and act as a consultative body for the development of the Statewide Waste and Resource Recovery Infrastructure Plan. The group provides insights on key industry issues and design of our programs. Since its inception, the ERG has informed programs relating to commercial and industrial waste, discussed Victoria's organics industry, examined the strengths and weaknesses of current markets for recycled materials, and peer reviewed the plan. The current ERG members include Craig Hudson, Director, Natural Recovery Systems; John Nolan, Managing Director, Nolan Consulting; Max Spedding, Secretary, Australian Landfill Owners Association; Jim Dunstan, formerly Executive General Manager, Citywide; Tony Rijs; Rod Wellford, CEO, Australian Council of Recyclers (ACOR), along with senior representation from EPA Victoria and SV. Grant Musgrove will represent ACOR on the group following his appointment as its CEO.

Sadly, in January 2013 founding member of the ERG Matt Nind passed away. Matt was a respected leader within the waste industry and we greatly appreciated Matt's support for SV and the experience he contributed to our reforms.

KEY ENVIRONMENTAL OUTCOMES SPECIFIC TO CURRENT GOVERNMENT POLICY

We are responsible for delivering programs that contribute to *Getting full value: Victorian Waste and Resource Recovery Policy*, which was released on 16 April 2013. The policy will grow our economy and employment by unlocking the resource value of our waste, while better protecting our environment and the liveability of our communities.

Recycling has gone down, proportionate to a reduction in waste generated and sent to landfill.

New strategic targets will be developed under the policy in 2013–14. The table below refers to outcomes achieved under the former policy, Towards Zero Waste.

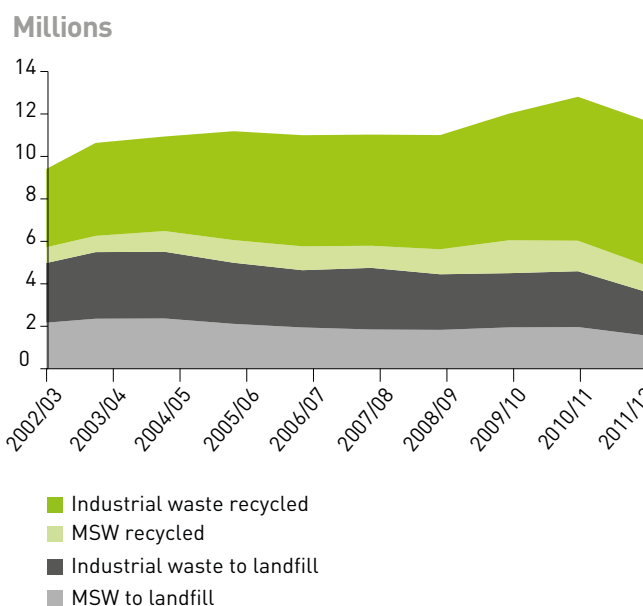
	2010–11 Tonnes (million)	2011–12 Tonnes (million)	Per cent change
Total solid waste recycled in Victoria	8.46	7.94	-6%
Total solid waste landfilled in Victoria	3.88	3.61	-7%
Total solid waste generated in Victoria	11.95	11.56	-5%
Recovery rate of waste recovered for recycling in Victoria	69%	69%	0%
Sectoral recovery rates:			
Municipal solid waste	47%	42%	-11
Commercial and industrial waste	66%	72%	9
Construction and demolition waste	83%	82%	-1
Improvement in littering behaviour ¹	23%	NA ²	NA

1. Refers to the percentage improvement in the Clean Community Assessment score (CCAT) since the 2003 baseline score was established.

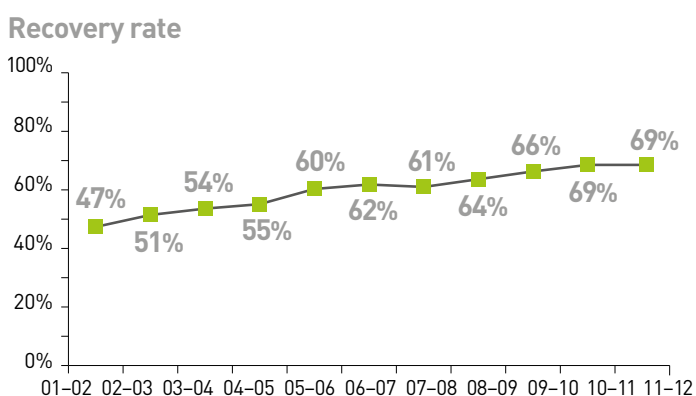
2. The Victorian Litter Review was not conducted in 2011–12 and therefore has not been included in this report.

Data collected for the Victorian Recycling Industries Annual survey and the Victorian Local Government Annual survey are collected on a financial year basis. Surveys are dispatched to respondents in late August to early September of every year once financial year data becomes available. The information is collected, tabulated, validated and reported in the next financial year around August. Both surveys are voluntary in nature.

Municipal solid waste (MSW) & Industrial waste 2002–2012



Waste generated 1994–2012



RESOURCE EFFICIENCY

Our approach to resource efficiency is to maximise the value derived from energy and materials resources used in Victoria while minimising environmental impact. We work with targeted sectors to implement leading, cost-effective practices that offer Victorians the best opportunities to conserve resources.

The current whole-of-government policy outcomes for resource efficiency are:*

Reduced pressures on cost of doing business

Reduced pressures on cost of living

Reduced harm from emissions

Secure, reliable energy supply and distribution

In working towards the SV2015 outcomes for resource efficiency, our current areas of focus are:

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

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

1. ENERGY EFFICIENCY

INCREASING ENERGY EFFICIENCY OF SELECTED SECTORS IN COMMERCIAL OFFICE BUILDINGS AND HOUSEHOLDS

Current focus

i. Households

Many householders are concerned about rising energy prices. While the link between energy use and energy bills is generally clear to householders, some believe there is little they can do to reduce their energy use besides investing in high-cost products. They are therefore looking for practical advice, but are sceptical about the credibility of some sources of energy efficiency information. Householders mostly prefer to receive advice from independent, trustworthy sources, such as government.

ii. Commercial office buildings

Buildings represent the fastest-growing sector for energy use and greenhouse gas emissions in Australia. Commercial buildings account for 10% of national emissions, compared to 13% for households.

Research we commissioned demonstrates that existing mid-tier office buildings constitute more than 50% of Victoria's office market by floor area and more than 80% of the total number of office buildings. They are estimated to emit more than 1.3 million tonnes of CO₂-e per annum.

Impact of previous market incentives

Government programs and market-based incentives to achieve energy efficiency have not had a significant impact in the mid-tier commercial office building sector.

Reasons for this include:

- More than 2,100 B & C grade buildings are exempt from commercial building disclosure legislation due to their size, according to research we commissioned in 2011.
- Non-CBD properties and regional buildings do not have access to the Sustainable Melbourne Fund finance mechanism of environment upgrade agreements (EUAs), and have been largely unaffected by past government funding schemes.
- Most mid-tier office buildings have not been upgraded to the standard of new developments of premium and A-grade buildings, based on the National Australian Built Environment Rating System (NABERS) and Green Star ratings.

1,737

REBATES PAID TO SUPPORT
ENERGY EFFICIENCY IN
HOUSEHOLDS

282

LOW-INCOME
HOUSEHOLDS RECEIVED
A FREE HOME RETROFIT

395

RETAILERS PROVIDED
CUSTOMERS WITH 'SMARTER
CHOICE' MATERIALS

KEY ACHIEVEMENTS

i. Households

A total of 1,737 energy-use rebates were paid to households over the year (representing 104% of the re-forecast target). These were provided for solar or gas hot-water use (1,145 rebates), gas-heater installations (250), whitegoods purchases (317) and rainwater tanks for bushfire-affected households (25). Together, the households receiving the rebates are estimated to save the equivalent of 10,109 GJ of energy per year.

Households purchasing appliances are provided with information and advice about energy efficiency through retailers. By the end of the financial year, 395 retailers across Victoria were providing their customers with materials from our Smarter Choice retail program, with a total of 1,745 retail staff trained in the use of these materials.

Of the 90% of appliance retailers on board, 95% believe that there have been changes to consumer awareness through the program. Furthermore, 90% declared that the program has increased sales of energy-efficient products.

Going forward we will intensify the measurement of program attribution through online and store-exit surveys.

As part of the Energy and Water Taskforce project, 282 low-income households received a free home retrofit. Of these households, 166 were in the Shire of Yarra Ranges and 116 were in the Shires of Central Goldfields, Pyrenees and Loddon.

We have conducted research to inform future opportunities to improve household energy efficiency, including:

- an evaluation of householder information needs
Conclusion: Focus groups conducted with householders confirmed that householders are concerned about energy costs and want to save money, and that to do this they need evidence-based, action-focused information that can be customised to meet their specific needs with a 'how to' and 'what's in it for me' emphasis.
- technical research to assess the impact of home upgrades on energy use
Conclusion: The on-ground assessment of a representative sample of Victoria's pre-2005 existing housing stock found an average house energy rating of 1.8 stars, and both modelling studies and physical retrofit trials have concluded that there is a range of cost-effective building shell, lighting and appliance upgrades that can be undertaken to improve the energy efficiency of a house.

- a review of home renovations, particularly regarding the extent to which energy efficiency is considered in design and purchasing decisions

Conclusion: The on-site inspection of 20 recent renovations revealed a number of sub-optimal practices that deliver an energy-efficiency outcome worse than what it could be. An online survey and focus groups conducted with recent home renovators showed that 89% of renovators regarded energy efficiency as important in their renovation. They trusted their own research and knowledge, gained mainly through the internet, and advice from family and friends to design their renovation.

The findings of this research are being used to inform the design, development and rollout of a more effective energy-information and advice offering to householders during 2013–14.

ii. Commercial office buildings

In 2012, we reviewed the work we were undertaking in the built environment sector. As a result of this review, it was determined that the mid-tier office sector was a subset of buildings that were not fully realising the available energy efficiency opportunities. In order to better understand the sector, we commissioned the Next Wave report into the opportunities for energy efficiency in the mid-tier office market. This work has informed the development of the Smarter Resources, Smarter Business, Energy Efficient Office Buildings program, which is designed to support owners of mid-tier office buildings to improve the performance of their assets, saving money and energy.

SHOWCASE

SHINING THE LIGHT ON SOLAR HOT-WATER SYSTEMS

Less than 1% of Victorian households had installed a solar hot-water system prior to 2000, due in part to the financial barriers associated with newer technologies. We identified an opportunity to address this issue and simultaneously encourage further innovation within the industry, through the introduction of a consumer rebate. Almost 7% of Victorian households now have a solar hot-water system, largely as a result of this rebate.

Beginning in 2000, the rebate for solar hot-water systems was delivered to households at the point-of-sale from over 360 participating suppliers across Victoria. This model, a first in Australia, removed the requirement for householders to purchase the appliance first and then wait to be reimbursed. Simplifying the rebate process to make the system more affordable was a key driver in the successful uptake of this technology.

A second objective of the rebate program was to promote the development of solar hot-water systems that better matched the needs of Victorian households, where most conventional hot-water systems were powered by gas. In direct contrast, the majority of solar hot-water systems available for purchase featured an electric-boosting mechanism. This situation represented a clear mandate for the industry to manufacture more suitable systems, and the rebate was accordingly structured to encourage the purchase of gas-boosted models.

By the end of 2012, Victorians had embraced the use of solar hot water, and particularly those supplemented with gas. This was a direct result of the incentives put in place over a decade earlier, together with more recent 6-star building regulations that require new dwellings to include either a solar hot-water system or rainwater tank.

In early 2013, a significant increase in the use of solar-heated water and the availability of alternative incentives warranted the conclusion of the rebate program to enable us to divert our attention to new priorities. The industry was given two months' notice in March, allowing suppliers adequate time to transition out of the program without inconveniencing customers.



What was delivered

Since the solar hot-water system rebate program was started in Victoria over 12 years ago:

- **More than 39,000 households have received a rebate, including 1,145 households during the 2012–13 financial year.**
- **Of these households, 52% were located in regional Victoria and 48% were in metropolitan Melbourne.**
- **Approximately 90% of domestic solar hot-water systems sold in Victoria are destined for new houses.**

We estimate that this represents a combined saving in excess of \$10 million per year for Victorian households. Furthermore, the success of the solar hot-water rebate program has been a critical factor in the rapid growth and sustainability of this industry.

2. ENERGY AND MATERIALS EFFICIENCY

INCREASING ENERGY AND MATERIALS EFFICIENCY OF SELECTED STAKEHOLDERS IN MEDIUM ENTERPRISES AND SCHOOL

Current focus

i. Businesses

There is a general trend towards increasing energy expenditure among businesses, including industries and commercial organisations.

According to an Australian Industry Group survey, three-quarters of businesses have taken or planned to take action to improve energy efficiency. However, many of the actions taken, such as staff-education activities, resulted in negligible or modest savings.

This survey also indicates that manufacturing businesses are less likely to introduce improvements in use of materials than improvements in energy efficiency and waste management.

ii. Schools

In previous years, the ResourceSmart Australian Sustainable Schools Initiative Victoria (AuSSI Vic) engaged with 27% of Victoria's schools and led to improved school practices, with participants in the project saving the equivalent of \$7 per student per year on their energy bills. Conversely, however, this means that around three-quarters of schools did not participate.

Key achievements

i. Businesses

We worked with medium-sized businesses to help them improve their energy and materials efficiency and reduce their operating expenditure.

Round 1 of the Capital Funding program was completed this year, with 17 successful grant recipients announced across sectors including manufacturing, retail, hospitality and service provision. The grants, which range from \$8,000 up to \$50,000, contribute to the purchase of vital equipment and upgrades that will improve local businesses' energy and materials efficiency. Funded projects include heating, lighting and cooling upgrades, insulation of wine tanks, packaging re-design and cutting-equipment improvements. From the combined \$380,000 in grants, businesses will reduce their energy and materials cost by \$390,000 per year.

We also worked with eight businesses that were funded to conduct a resource assessment, and a further eight businesses that received financial support to prepare a case for funding from other organisations.

ii. Schools

Working through nine local service providers funded to collaboratively deliver ResourceSmart AuSSI Vic, we increased the total number of ResourceSmart AuSSI Vic participants to more than 900 schools. A total of 221 new Victorian schools joined, representing 87% of the phase one new school target of 254, or 53.5% of the total initiative target of 400 by 2015.

Among the participating schools, 21 now have 5-Star status. At the 2012 ResourceSmart School Awards, Epping Views Primary School was named the ResourceSmart School of the Year.

SHOWCASE

INSPIRING TOMORROW'S LEADERS

ResourceSmart AuSSI Vic is a joint initiative of Sustainability Victoria and the Department of Education and Early Childhood Development (DEECD). It provides schools with a framework for sustainability education as well as access to curriculum modules in energy, waste, water and biodiversity. The program encourages schools and the broader community to adopt a more sustainable approach to everyday living.

While the concept of instilling sustainable practices from early childhood seems a logical one, the benefits that this lifelong learning approach can offer have not been fully explored. This is where the ResourceSmart AuSSI Vic program comes in. The framework that it offers primary and secondary institutions encourages reductions in waste production, energy and water use and greenhouse gas emissions, while promoting biodiversity.

Schools can also participate in a 'Reward and Recognition' program that recognises standout performers by way of 5-Star Sustainability Certification and the Annual ResourceSmart AuSSI Vic Awards. In 2012, new categories for Student of the Year and Teacher of the Year were added to the Awards.

Educational activities undertaken by a 5-Star Sustainability Certified school may include:

- using 100% renewable electricity through generation and purchasing of green power
- integrating sustainability in the whole school curriculum
- using sustainable design principles in new building construction
- increasing the biodiversity of the school grounds, with an emphasis on native fauna.

Since its inception in 2008, the ResourceSmart AuSSI Vic program has engaged 27% of the state's 2,000+ schools and has documented evidence of improvements in sustainability practices. Research has shown that participating schools saved the equivalent of \$7 per student per year through lower energy bills. However, there remain many more opportunities to showcase the positives of sustainable practices in Victorian schools.

For the next phase of this program, 146 new schools are being targeted towards a total of 45% of Victorian Schools participating by June 2015. Financial incentives are provided by the DEECD in the form of \$10,000 energy-efficiency grants to schools joining ResourceSmart AuSSI Vic for the first time.



In 2012, we contracted several service providers to deliver the program in nine regions across Victoria – four in metropolitan Melbourne and five in regional areas. As well as providing training in the curriculum modules, each consortium has specific recruitment targets.

We also recognise the challenge ahead in maintaining and fostering interest from schools that are leaders in sustainability curricula.

What was delivered

In 2012–13:

- We achieved 87% of our target to enrol 254 new schools into the ResourceSmart AuSSI Vic program by December 2013 – 134 in metropolitan Melbourne and 87 in regional locations.
- 21 schools have achieved 5-Star Sustainability Certification, an increase of five schools from the previous financial year.
- A record number of entries were received for the 2012 Annual ResourceSmart AuSSI Vic Awards, representing a 71% increase.

4,340 MWh

ENERGY SAVED THROUGH
THE SMART ENERGY ZONES
PROGRAM

3. TECHNOLOGIES THAT REDUCE ENVIRONMENTAL HARM

INCREASING UPTAKE OF TECHNOLOGIES THAT
REDUCE ENVIRONMENTAL IMPACTS, AS PART
OF AN INTEGRATED APPROACH TO ENERGY
EFFICIENCY IN TARGETED SECTORS

Current focus

The Smart Energy Zones (SEZ) program is working with seven project partners across the state to better manage the energy supply and demand in their precincts. The program has a strong focus on community engagement and distributed generation such as co-generation.

Key achievements

The SEZ projects funded in previous years are now nearing completion. Installation of new technologies through these projects in 2012–13 has saved an estimated 4,340 MWh of energy.

One of the projects completed during the year was Manningham City Council's Doncaster Hill development, which includes a community centre and sustainability education hub. The community centre features a 5-star Greenstar rating, a tri-generation system and energy-efficiency measures such as activated thermal mass, hybrid ventilation, and high-efficiency lighting, exhaust heat and hot-water recovery units.

BUILDING OUR CAPABILITIES

Over the past year we have undergone significant change, including optimising our frontline services, reducing our corporate overheads and optimising our operations to ‘do more with less’. This has resulted in a clearer focus in line with the SV2015 strategy.

An important part of our transformation was aimed at more efficiently delivering our programs and services. This included significant efficiencies in our corporate and administrative functions.

We re-engineered our business model to better align our internal resources with our priority areas while refining internal functions to best meet our needs. We will continue to be vigilant about our corporate service expenditure and internal red tape, finding opportunities to work smarter while maximising the resources we apply to our frontline services.

As these changes have been implemented, there have also been changes within Victorian government. These include a shift towards being ‘evidence-driven’ and ‘outcome-focused’, the merger of departments, and a mandatory requirement for all departments and agencies to publish their data under the DataVic Policy.

In line with the SV2015 capabilities for transforming Sustainability Victoria into an efficient and evidence-based organisation, our current areas of focus are:

- improving the way we engage with our stakeholders, clients and audiences to deliver better integrated waste management and resource efficiency outcomes
- building an evidence-based culture that informs our investments in integrated waste management and resource efficiency, and demonstrates the outcomes of those investments
- ensuring that we are an accountable government organisation with a transparent and flexible approach
- providing high standards of governance, accountability and performance while delivering coordinated programs within our portfolio.

Our performance in each of these areas is outlined on the following pages.

To enhance our understanding of evidence-based interventions through our support of Behaviour Works, we have engaged with several world experts throughout the course of the year. Notable engagements were with professors Susan Michie, Bas Verplanken and Icek Ajzen.

Professor Susan Michie (UK)

A chartered clinical and health psychologist, Professor Michie is a leading thinker in the design and evaluation of practice-change projects. She is a past President of the EHPS, past Chair of the BPS’s Division of Health Psychology and the Associate Editor of *Annals of Behavioral Medicine* and of *Implementation Science*.

Professor Icek Ajzen (USA)

One of the world’s leading social psychologists, Professor Ajzen is renowned for the Theory of Planned Behaviour (TPB). He is currently Professor Emeritus of Psychology at the University of Massachusetts and has held a longstanding lead editorial role for the *Journal of Personality & Social Psychology* and the *Journal of Applied Social Psychology*.

Professor Bas Verplanken (UK)

Professor of psychology and the head of the Department of Psychology at the University of Bath, England, Professor Verplanken is a member of the UK’s Sustainable Lifestyles Research Group. He developed the Self-Report Habit Index (SRHI), which measures the strength of habitual behaviours, and the Habit Discontinuity Hypothesis, which seeks to optimise the effectiveness of behaviour-influence interventions.

1. STATEWIDE ENGAGEMENT

IMPROVING THE WAY WE ENGAGE WITH OUR STAKEHOLDERS, CLIENTS AND AUDIENCES TO DELIVER BETTER INTEGRATED WASTE MANAGEMENT AND RESOURCE EFFICIENCY OUTCOMES

Current focus

It is critical that we continue to improve the way we engage with our stakeholders, clients and audiences. This is determined by how we deliver service and value, provide access to our programs and develop our relationships. All of these elements have a direct effect on the success of SV2015.

Our approach is to be thoughtful, deliberate and responsible in the way we engage. A particular focus is to improve access to our programs and guidance for all Victorians, particularly those in regional Victoria. This requires us to understand local conditions and work together with waste management groups, local government and other stakeholders to achieve better outcomes.

Objectives

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

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

Key achievements

This year, we improved our regional engagement. As well as employing five regionally based staff, we introduced the SV @ your doorstep program, using web technology to engage with regional organisations and communities.

Between September and November 2012, we conducted market research, as well as direct consultation with a range of stakeholders, on our brand recognition and the quality of our stakeholder engagement. This research set the benchmark against which future brand perception and stakeholder engagement will be measured.

The findings showed that stakeholders value our knowledge, leadership and unique ability to create and facilitate networks. They also expect us to be objective and driven by tangible outcomes. There are opportunities for us to enable more stakeholders to access and use our knowledge, expertise and resources.

The Premier's Sustainability Awards are Victoria's flagship sustainability event. Last year we improved the awards judging and entry processes and received 72 nominations.

Promotion of the Premier's Sustainability Awards in regional Victoria was successful, with 36% of finalists and 50% of award winners coming from regional and statewide entries.

Program participation in regional Victoria has also been strong. Notably, 37.9% of the new schools that joined the ResourceSmart AuSSI Vic program are located in regional Victoria, and 36.9% of all regional schools are registered in the program.

Furthermore, 52% of solar hot-water rebates and 84% of gas-heater rebates were provided to regional Victorians, while most recipients of Roadside Litter grants (75%) and Smarter Resources, Smarter Business grants (65%) were located in regional Victoria.

SHOWCASE

REACHING OUR STAKEHOLDERS IN REGIONAL VICTORIA

Our review in 2011 indicated a widely held perception of Sustainability Victoria as a metro-centric organisation that is not accessible or relevant to regional stakeholders. As a result, the SV2015 plan specifically targeted statewide engagement as an essential core capability.

Sustainability Victoria was created to lead integrated waste management and resource efficiency in Victoria. However, an apparent focus on the state's capital has underpinned our failure to successfully engage many regional councils, businesses and households. To improve our ability to foster effective relationships with non-metropolitan stakeholders, five regional facilitators, two customer-service officers and one manager have been appointed.

Furthermore, a new program called SV @ your doorstep has been launched, which focuses on delivering sustainable initiatives to rural areas and provincial cities. This program, which also includes an evaluation of the organisation, will promote us as a leading organisation that seeks to achieve a better environmental future for Victoria by partnering with regional area stakeholders, including:

- subject-matter experts
- councils
- businesses in target sectors
- business consultants and support services
- schools and their networks.

To date, as part of the SV @ your doorstep program:

- Two formal events have been held, targeting organic-waste recovery in the municipal sector and organic-waste management in the commercial sector.
- Stakeholder feedback has been received regarding the Get it Right on Bin Night program.
- Web tools have been used to quickly connect people located at various sites across the state.
- Customer-service training has been provided to our staff.
- Regional profiles have been created to assist staff with program planning and delivery across Victoria.
- The Statewide Engagement Team (SE Team) has successfully connected with regional Victoria and established networks.

To increase uptake, we have facilitated regional events, while allowing the stakeholders to organise and plan their agendas. As a result of this heightened focus, attendance at information sessions and participation in programs/projects across the state have increased.



What was delivered

Regional and external stakeholders:

- clearly understand what we offer
- are able to easily access us through our SE Team
- have queries answered promptly
- participate in SV @ your doorstep events, both on- and off-site:
 - Trial 1 Bogong: 79 participants across five regional sites, 20 participants in Melbourne CBD and eight solo webinar attendees
 - Trial 2 Geelong: 88 participants across five sites and 13 solo webinar attendees.

Our staff:

- understand the need for internal and external stakeholders
- understand the importance of engaging regional stakeholders
- effectively employ the SE Team in program delivery to regional areas
- have identified and adopted technology to reduce travel, improve accessibility and enhance stakeholder relationship management.

We have demonstrated a clear commitment to achieving statewide engagement, which has included adopting engagement as one of our core capabilities. Ongoing successful efforts to connect with regional stakeholders are crucial to ensure equity of access for all Victorians.

2. EVIDENCE-BASED INVESTMENT AND OUTCOMES

BUILDING AN EVIDENCE-BASED CULTURE THAT INFORMS OUR INVESTMENTS IN INTEGRATED WASTE MANAGEMENT AND RESOURCE EFFICIENCY AND DEMONSTRATES THE OUTCOMES OF THOSE INVESTMENTS

Current focus

By building a robust evidence base, we can make informed decisions that allow us to design, plan, deliver and adapt our programs to achieve the best possible integrated waste management and resource efficiency outcomes.

In past years, we had limited success in clearly articulating the basis for our investments and the value and contribution of our work to recover resources and achieve resource efficiencies. Therefore, in 2010 we implemented a more systematic approach to monitoring and evaluating our programs.

It is important that we continue to develop this approach. By building a robust evidence base, we can make informed decisions that allow us to design, plan, deliver and adapt our programs to achieve the best possible integrated waste management and resource efficiency outcomes.

Objectives

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

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

Key achievements

This year, we further built our evidence base through research and market analysis to ensure that our projects are appropriately designed and targeted to our stakeholders.

To this end, specific activities included:

- increasing staff use of our results-based planning method
- establishing Outcome Manager roles to assist our transition to a strategic outcome focus
- investigating our contribution to waste management and resource efficiency, with a view to establishing headline indicators.

3. PEOPLE AND LEADERSHIP

ENSURING THAT WE ARE AN ACCOUNTABLE GOVERNMENT ORGANISATION WITH A TRANSPARENT AND FLEXIBLE APPROACH

Current focus

Maintaining and building the capabilities, skills, expertise and knowledge of our people will help us deliver on our SV2015 commitments.

To ensure that we transform our organisation accordingly, it is crucial that we retain, develop and attract a motivated, capable and diverse workforce. This will specifically include building our waste management expertise and other necessary skills.

Our people must be supported by leaders who are able to communicate clear performance expectations that lead to high-quality outcomes. We strive for a supportive workplace that values staff efforts, nurtures talent and is committed to safety and long-term wellbeing.

Objectives

To ensure that we achieve our desired transformation, our objectives for the next three years are to:

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

Key achievements

i. Health, safety and wellbeing

In 2012–13, Occupational Health and Safety was renamed Health, Safety and Wellbeing (HS&W) to reflect an increased focus on employee wellbeing. This change was accompanied by

a new policy statement, which includes a greater emphasis on the psychological wellbeing of employees. We have also set up a refreshed HS&W working group to better respond to and prevent incidents, injuries and hazards.

During 2012–13, a review of health and safety policies resulted in the development of an HS&W handbook. In addition, we have recorded an increase in participation in safety initiatives and increased awareness of hazards in the office environment and offsite. A new working parents' wellbeing program provided practical support to those balancing work and family responsibilities. Employees also have access to various other health and wellbeing initiatives, including flexible work hours, confidential professional counselling for work and personal issues, charity fundraising and flu vaccinations.

We address employee concerns promptly and fairly, consistent with VPS merit and equity principles. Importantly, no days lost to industrial action were reported in 2012–13. One formal written complaint was lodged, as was the case in 2011–12.

ii. Capability Framework and Development Guide

This year, we released our first Capability Framework and Development Guide. As well as defining the core capabilities required to deliver our strategy, this incorporates a development guide that supports employees seeking to improve their proficiency in core areas. We also launched a revised development plan template, which encourages targeted professional development discussions that align with our organisation's capabilities.

iii. Improvement in our organisational culture

Sustainability Victoria recognises that a highly constructive organisational culture is essential to enabling the successful delivery of its strategy. We continued to work towards a stronger workplace culture in 2012–13, achieving a 6% overall improvement in constructive behaviour styles, along with a significant decrease in passive/defensive and aggressive/defensive behaviour styles, as measured by the Organisational Culture Inventory (OCI).

We formally adopted the Victorian Public Service values and launched a Guide to Values & Behaviours, which provides guidance for discussions about our values during performance appraisals. We also commenced a formal reward and recognition program, which rewards behaviour and performance that exemplifies our values and supports the delivery of our strategy.

Our values

We share the values of the Victorian Public Service and are committed to living these values through the behaviours we exhibit, both when working with each other and with our stakeholders.

- | | | |
|-------------------|-----------------|-----------------|
| 1. Leadership | 4. Human rights | 6. Impartiality |
| 2. Responsiveness | 5. Integrity | 7. Respect |
| 3. Accountability | | |

4. GOVERNANCE AND COORDINATION

PROVIDING HIGH STANDARDS OF GOVERNANCE, ACCOUNTABILITY AND PERFORMANCE WHILE DELIVERING COORDINATED PROGRAMS WITHIN OUR PORTFOLIO

Current focus

In the context of integrated waste management and resource efficiency, we are committed to high standards of governance, accountability, performance and coordinated program delivery.

Governance refers to the relationships between our board and senior management, the Minister, stakeholders (including clients) and others interested in our activities, including regulators and auditors. It encompasses authority, accountability, stewardship, leadership, direction and control exercised within an organisation.

The Victorian Auditor-General's *Municipal Solid Waste Management* report and the 2011 *Review of Sustainability Victoria's Strategic Direction* were both critical of our level of accountability and governance, and of the governance across the environment portfolio. Now, six years after Sustainability Victoria's creation, we have matured and are committed to cultural changes that will result in good governance 'from the ground up'. Specifically, we must ensure that we have effective systems and processes in place and that we provide strong support for our people, as well as being better portfolio partners.

Objectives

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

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

Key achievements

In 2012–13, we reviewed our Corporate Governance Charter, rebuilt our Chart of Accounts, refreshed all our policies and procedures, and developed and adopted a grants policy. We also helped design and deliver a portfolio coordination framework, together with the Environment Protection Authority and the Department of Environment and Primary Industries.

PART 5

SUMMARY OF FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE AND POSITION SUMMARY (\$'000)

	2013	2012	2011	2010	2009
Revenue from Government	16,576	20,979	16,910	37,104	53,512
Other revenue	32,489	26,777	26,726	28,199	25,198
Total income	49,065	47,756	43,636	65,303	78,710
Total expenses	37,298	43,706	52,749	60,947	78,905
Net result for the period	11,767	4,050	(9,113)	4,356	(195)
Net cash flow from operating activities	13,607	4,281	(107)	15,919	(13,658)
Total assets	47,944	32,769	28,794	37,970	37,073
Total liabilities	8,888	5,480	5,555	5,618	9,077

SIGNIFICANT CHANGES IN FINANCIAL PERFORMANCE AND POSITION DURING THE YEAR AND SUBSEQUENT EVENTS

Revenue increased marginally, while the reduction in expenditure (\$6.4m) was due largely to reduced program activity, as a result of delayed project approvals and launches. SV will continue to deliver its three-year strategic plan (SV2015) following the completion of the first year in 2012–13.

In December 2012, the Victorian State Budget Update 2012–13 announced the efficiency measure 'Supporting Sustainability Victoria's functions more efficiently', which provided us the opportunity to renew our focus on frontline service delivery while achieving back office cost savings.

On 31 July 2013, the board of SV approved the sale of 88,100 Renewable Energy Certificates held by SV, with the proceeds to be forwarded to the Department of Environment and Primary Industries as part of SV's response to the efficiency measure announced in the Victorian State Budget Update 2012–13. This sale occurred on 22 August 2013 and the impact has been built into SV's forward budgets.

The Ministerial Advisory Committee on Waste and Resource Recovery Governance Reform delivered its final report to the Hon Ryan Smith MP, Minister for Environment and Climate Change, on 31 May 2013. The government has supported the majority of the recommendations, which include strengthening SV's role in state-wide waste planning and coordination and will be implemented over the next 12 to 18 months. The financial impact of the reforms cannot be measured at the date of signing the financial report.

There have been no other events subsequent to the balance date of 30 June 2013 that may significantly affect operations in subsequent years.

MAJOR CONTRACTS

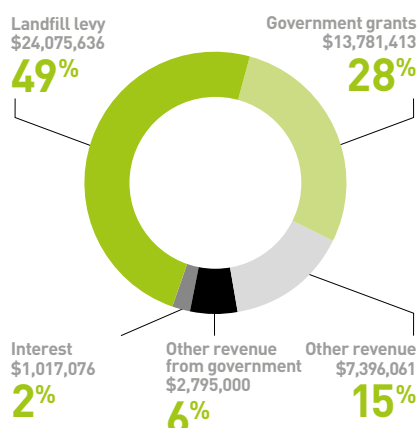
SV did not enter into any contracts greater than \$10 million in value during the reporting period.

INFORMATION AVAILABLE ON REQUEST

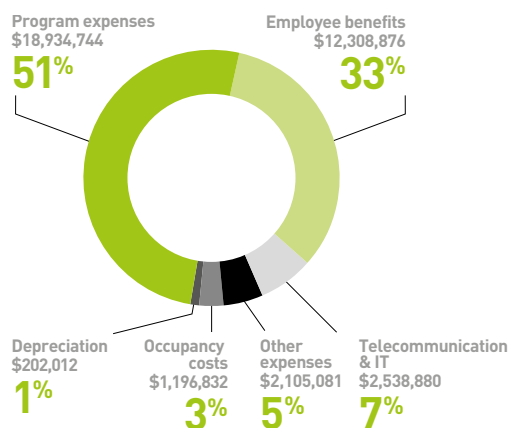
Information relevant to the headings listed in Financial Reporting Direction 22B of the *Financial Management Act 1994* (Vic) is held at Sustainability Victoria's office and is available on request, subject to the *Freedom of Information Act 1982*.

Please contact 1300 363 744 (Victoria only) or (03) 8626 8700 (within the rest of Australia).

SUSTAINABILITY VICTORIA REVENUE 2013



SUSTAINABILITY VICTORIA EXPENDITURE 2013



Consultancy engagements in excess of \$10,000

There were 13 consultancies costing in excess of \$10,000 for the year ended 30 June 2013, at a total cost of \$436,760

ID	Contract Title	Description	Total Fees (\$)	Expenditure this year (\$)	Future Commitments (\$)
1 7271	FirstRate5 Expert Advice	Advice on the functioning, history and other building physics issues relevant to the maintenance and support of FirstRate5	15,000	0	15,000
2 7139	Review of UK & Irish Resource Efficiency Programs	A summary report of United Kingdom/Ireland programs in business resource efficiency.	16,616	16,616	0
3 7324	Review of Charity Sector Waste Management Practices	Review of the Salvation Army and St Vincent de Paul's waste management approach for their stores and document appropriate checklist and contract specification guidance for use by the charitable sector.	18,182	14,000	4,182
4 7215	Project Delivery Capability Assessment	Assessment and evaluation of SV's project delivery capability	21,600	21,600	0
5 7482	Best Practice Guidelines - Donation Bin Management	Development of Best Practice Guidelines for local government, industry and charities outlining best practice standards for placement and management of donation bins.	22,420	17,000	5,420
6 7202	Organics market and infrastructure project support	Advice on the development and outputs of activities relating to organics undertaken by SV in 2012-13.	24,000	19,167	4,833
7 7261	ECO-Buy review of use of recycled materials in pavement construction	Review of projects, programs and research that have been undertaken in relation to the use of recycled materials (crushed brick, crushed concrete and glass) in pavement construction.	24,200	24,200	0
8 7422	Commercial and Industrial Weight Based Charging Service Trial: Stage 1: Trial Design	Assessment of the viability of a trial to deliver weight based charging services in the Victorian C&I sector to improve source separation and resource recovery.	24,820	7,446	17,374
9 7160	Improving the quality of Recycled Organic products - Baseline Research	Provision of baseline data to assist SV with developing a range of projects aimed at market development for organics products	24,900	24,900	0
10 7269	Professional Services - D J Hart - Weekly costs for professional services rendered by David J Hart	Provision of expert consulting services as a member of the Information Systems Strategy Group (ISSG).	44,000	11,703	32,297
11 7267	Resource Efficiency Horizon Scan	A "horizon scan" of emerging issues and solutions in the Resource Efficiency area which are of relevance to Sustainability Victoria, beyond its current strategic plan of SV2015	49,712	49,712	0
12 7163	Waste flows in the Victorian commercial and industrial sector.	An assessment of the commercial and industrial (C&I) waste stream in Victoria to identify sources of waste generation and the associated waste reduction and resource recovery opportunities.	131,490	131,490	0
13 7443	Organic wastes to agricultural land regulatory framework mapping	Review of key state and federal legislation, policies and guidelines relevant to the processing of organic waste material on agricultural land and at transfer stations, as well as the application to land of organics wastes processed and raw in the state of Victoria	19,820	10,940	8,880

PART 6

ANNUAL FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Income from transactions			
Landfill levy	3	24,075,636	24,733,250
Government grants	3	13,781,413	17,655,397
Other income from government	3	2,795,000	3,323,450
Interest	3	1,017,076	1,045,301
Other income	3	7,392,635	995,755
Total income from transactions		49,061,760	47,753,153
Expenses from transactions			
Program expenses	4 (a)	(18,934,744)	(22,398,140)
Employee benefits	4 (b)	(12,470,392)	(14,962,238)
Depreciation	7	(202,012)	(279,009)
Occupancy costs		(1,196,832)	(1,148,428)
Telecommunication & IT		(2,538,880)	(2,434,618)
Finance costs		(11,504)	(15,809)
Other expenses		(2,105,081)	(2,418,887)
Total expenses from transactions		(37,459,445)	(43,657,129)
Net result from transactions (net operating balance)		11,602,315	4,096,024
Other economic flows included in net result			
Gain on disposal of assets	4 (c)	3,426	2,641
Gain/(loss) arising from revaluation of LSL liability	1.6 (b)	161,516	(48,967)
Total other economic flows included in net result		164,942	(46,326)
Net result		11,767,257	4,049,698
Comprehensive result		11,767,257	4,049,698

The comprehensive operating statement should be read in conjunction with the notes to the financial statements

BALANCE SHEET
AS AT 30 JUNE 2013

	Notes	2013 \$	2012 \$
Assets			
Financial assets			
Cash & cash equivalents	5	36,633,167	23,422,200
Receivables	6	8,291,223	6,477,736
Total financial assets		44,924,390	29,899,936
Non-financial assets			
Property, plant & equipment	7	631,282	484,616
Prepayments		97,448	93,743
Intangibles	8	–	2,290,803
Non-Financial assets classified as held for sale	9	2,290,803	–
Total non-financial assets		3,019,533	2,869,162
Total assets		47,943,923	32,769,098
Liabilities			
Payables	10	6,444,059	2,772,995
Provisions	11	2,263,953	2,514,805
Borrowings	12	179,512	192,156
Total liabilities		8,887,524	5,479,956
Net assets		39,056,399	27,289,142
Equity			
Contributed capital		26,048,806	26,048,806
Accumulated surplus		13,007,593	1,240,336
Total equity		39,056,399	27,289,142

As at 30 June 2013, \$14.9 million was committed in contracts and payable upon the successful delivery of milestones in 2013–14 and beyond – see Note 17

The balance sheet should be read in conjunction with the notes to the financial statements.

SUSTAINABILITY VICTORIA
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	Accumulated Surplus/(Deficit)	Contributions by Owner	Total
Balance at 1 July 2011		(2,809,362)	26,048,806	23,239,444
Net result for the year		4,049,698	–	4,049,698
Balance at 30 June 2012		1,240,336	26,048,806	27,289,142
Net result for the year		11,767,257	–	11,767,257
Balance at 30 June 2013		13,007,593	26,048,806	39,056,399

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from government grants		16,972,022	18,360,997
Receipts from government – other		2,921,968	3,655,795
Receipts from landfill levy		24,240,039	23,741,797
Other receipts		8,388,466	1,740,543
Interest received		971,246	1,052,108
Net Receipt from EPA for the Sustainability Fund		550,000	–
Goods and Services Tax recovered from the ATO		759,207	1,426,207
Payments to program recipients		(21,496,342)	(24,448,872)
Payments to suppliers and employees		(19,699,269)	(21,247,300)
Net cash flows from operating activities	14	13,607,337	4,281,275
Cash flows from investing activities			
Payments for property, plant and equipment	7	(376,449)	(143,875)
Proceeds from disposal of property, plant and equipment		4,227	2,641
Net cash flows used in investing activities		(372,222)	(141,234)
Cash flows from finance activities			
Repayment of finance leases		(24,148)	(110,219)
Net cash flows used in finance activities		(24,148)	(110,219)
Net increase in cash & cash equivalents		13,210,967	4,029,822
Cash & cash equivalents at the beginning of the financial year		23,422,200	19,392,378
Cash & cash equivalents at the end of the financial year	5	36,633,167	23,422,200

The above cash flow statement should be read in conjunction with the notes to the financial statements.

PART 7

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2013

Note 1 Summary of Significant Accounting Policies

1.1 GENERAL

Statement of Compliance

These general-purpose financial statements have been prepared on an accrual and going concern basis in Australian dollars, in accordance with the *Financial Management Act 1994* (Vic), applicable Australian Accounting Standards which include Interpretations, issued by the Australian Accounting Standards Board. In particular, they are presented in a manner consistent with the requirements of the *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

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.

SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

Comprehensive Operating Statement

Income and expenses in the net result are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under *AASB 101 Presentation of Financial Statements*.

'Transactions' and 'other economic flows' are defined by the Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 and Amendments to Australian System of Government Finance Statistics, 2005 (ABS Catalogue No. 5514.0).

Balance Sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Cash Flow Statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under *AASB 107 Statement of Cash Flows*.

Statement of Changes in Equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

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 2013 and the comparative information presented for the year ended 30 June 2012. The 2012 comparative Program Expenses disclosed in Note 4a have been re-classified to align to the 2013 organisational structure.

Accounting estimates

In the application of AASs, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

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 income when Sustainability Victoria obtains control over the assets comprising these receipts. Control over granted assets is normally obtained upon their receipt or upon earlier notification that a grant has been secured, and assets are valued at their fair value at the date of transfer.

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 2012*.

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* (Cth).

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.

1.5 PROGRAM EXPENSES

Expenditure incurred for each of the various operating areas of Sustainability Victoria has been disclosed in Note 4(a), and includes grants, rebates, advertising campaigns and sponsorships. Grants that form part of program expenditure are 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 included as part of Note 17 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) Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in 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 a known amount of cash and are subject to an insignificant risk of changes in value.

1.8 RECEIVABLES

Receivables consist of contractual receivables, which include mainly debtors in relation to goods and services and accrued investment income and statutory receivables, which include predominately amounts owing from the Victorian Government and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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 Sustainability Victoria 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 and equipment	10%–20%
Computer equipment	25%–33.3%
Motor vehicles	20%–25%

1.10 LEASED ASSETS

Finance leases

Leases of property, plant and equipment where Sustainability Victoria has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance

charges, are included in interest-bearing liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the operating statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under a finance lease are depreciated over the shorter of the asset's useful life and the lease term.

Operating leases

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

1.11 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 Sustainability Victoria.

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

1.12 NON-FINANCIAL ASSETS CLASSIFIED AS HELD FOR SALE

Non-financial assets classified as held-for-sale are measured at the lower of carrying amount and fair value, and are not subject to depreciation.

Non-financial assets, disposal groups, and related liabilities are treated as current and classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

1.13 PAYABLES

Payables consist of contractual payables, such as accounts payable, and accrued expenses. Accounts payable represent liabilities for goods and services provided to Sustainability Victoria prior to the end of the financial year that are unpaid, and arise when Sustainability Victoria becomes obliged to make future payments in respect of the purchase of those goods and services; and statutory payables, such as good and services tax and fringe benefits tax payables.

1.14 EMPLOYEE BENEFITS

(a) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual 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 Sustainability Victoria does not expect to settle the liability within 12 months, because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

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

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

1.15 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.

1.16 AASS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new AASSs have been published that are not mandatory for the 30 June 2013 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 2013, the following standards and interpretations applicable to Sustainability Victoria had been issued but were not mandatory for the financial year ending 30 June 2013. Sustainability Victoria has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods	Impact on authority financial statements
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 2015	Detail of impact is still being assessed.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038, and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	Beginning 1 Jan 2015	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Beginning 1 July 2013	No significant impact is expected from these consequential amendments on entity reporting.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Sustainability Victoria does not have exposure to any loans and/or interest-bearing liabilities except for finance leases disclosed in Notes 16 and 23.

Financial assets and financial liabilities are disclosed in Note 23 - 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.

2.2 LIQUIDITY RISK

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

Sustainability Victoria exposure to liquidity risk is deemed insignificant, based on prior period's 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 Sustainability Victoria which comprise cash and cash equivalents, trade and other receivables.

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

		Interest rate risk			
		-0.5%		+0.5%	
		Result \$	Equity \$	Result \$	Equity \$
Carrying amount \$					
30 June 2013					
Financial assets					
Cash and cash equivalents	36,633,167	(183,166)	(183,166)	183,166	183,166
30 June 2012					
Financial assets					
Cash and cash equivalents	23,422,200	(117,111)	(117,111)	117,111	117,111

3 INCOME FROM TRANSACTIONS

Income/revenue by source	2013 \$	2012 \$
Landfill Levy	24,075,636	24,733,250
Government Grants		
State government departments and agencies:		
Annual appropriation	1,631,413	6,569,397
Sustainability Fund grants to Sustainability Victoria	12,150,000	7,041,000
Government Initiatives Funding	–	4,045,000
Total Government Grants	13,781,413	17,655,397
Other Income from Government		
Commercial Office Buildings	100,000	–
Increased Separation & Recycling	5,000	–
Litter Strategy	1,725,000	1,250,000
Product Stewardship	15,000	–
Solar Photovoltaic Community Hubs	–	10,000
Sustainability Fund – management fee	800,000	763,450
Victorian Property Fund	–	1,150,000
Victorian Litter Report and Local litter tool for Local Governments	150,000	150,000
Total Other Income from Government	2,795,000	3,323,450
Interest	1,017,076	1,045,301
Other Income		
FirstRate Accreditation (inc. Software)	42,477	73,205
Refund from Australian Taxation Office	3,985,249	–
Australian Packaging Covenant	2,615,165	–
Program contributions	749,744	922,550
Total Other Income	7,392,635	995,755
Total Income from Transactions	49,061,760	47,753,153

4 (A) PROGRAM EXPENSES

	2013 \$	2012 \$
Integrated Waste Management	9,457,006	5,923,513
Resource Efficiency	4,739,666	10,378,456
Engagement (includes all Litter and Schools Programs)	4,738,072	6,096,171
Total Program Expenses*	18,934,744	22,398,140

* The 2012 comparative program expenses have been re-classified to align to the 2013 organisational structure.

4 (B) EMPLOYEE BENEFITS

	2013 \$	2012 \$
Salaries, Wages and Allowances	10,498,538	13,200,596
Employer Superannuation	919,510	1,093,670
On-Costs	1,052,344	667,972
Total Employee Benefits	12,470,392	14,962,238

4 (C) NET PROFIT ON DISPOSAL OF ASSETS:

	2013 \$	2012 \$
Property, Plant & Equipment	3,426	2,641
Total Net Profit	3,426	2,641

5 CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
Cash at Bank	631,467	420,500
Cash on Hand	1,700	1,700
Short-Term Deposits	36,000,000	23,000,000
Total Cash and Cash Equivalents	36,633,167	23,422,200

6 RECEIVABLES

Current Receivables	2013 \$	2012 \$
Contractual		
Trade Debtors	84,888	8,800
Other Debtors	17,914	19,875
Accrued Interest	79,919	34,089
Total Contractual	182,721	62,764
Statutory		
Trade Debtors	77,436	58,680
Amounts owing from Department of Environment and Primary Industries	1,320,891	–
GST Receivable	691,266	172,980
Accrued Landfill Levy	6,018,909	6,183,312
Total Statutory	8,108,502	6,414,972
Total Current Receivables	8,291,223	6,477,736

7 PROPERTY, PLANT AND EQUIPMENT

	2013 \$	2012 \$
Office Furniture and Equipment		
At Fair Value	549,465	506,608
Less: Accumulated Depreciation	(464,886)	(421,108)
	84,579	85,500
Computer Equipment		
At Fair Value	985,344	918,493
Less: Accumulated Depreciation	(618,223)	(709,389)
	367,121	209,104
Motor Vehicles – Leased		
At Fair Value	370,645	373,446
Less: Accumulated Depreciation	(191,063)	(183,434)
	179,582	190,012
Summary	631,282	484,616

Reconciliations:

	Office Furniture & Equipment \$	Computer Equipment \$	Motor Vehicles Leased \$	Total \$
Carrying Amount 2013				
Opening Balance	85,500	209,103	190,013	484,616
Additions	42,857	275,990	57,602	376,449
Depreciation	(35,717)	(125,232)	(41,063)	(202,012)
Disposals	-	(801)	(26,970)	(27,771)
Closing Balance	92,640	359,060	179,582	631,282
Carrying Amount 2012				
Opening Balance	134,805	202,278	282,667	619,750
Additions	2,400	141,475	-	143,875
Depreciation	(51,705)	(134,650)	(92,654)	(279,009)
Disposals	-	-	-	-
Closing Balance	85,500	209,103	190,013	484,616

8 INTANGIBLES

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

Renewable Energy Certificates	2013 \$	2012 \$
Opening Balance as at 1 July	2,290,803	2,290,803
Transferred to Non-Financial Assets Held for Sale	(2,290,803)	-
Closing Balance as at 30 June	-	2,290,803

9 NON-FINANCIAL ASSETS HELD FOR SALE

Non-financial assets classified as held-for-sale are measured at the lower of carrying amount and fair value.

Renewable Energy Certificates	2013 \$	2012 \$
Opening Balance as at 1 July	-	-
Transferred from Intangibles	2,290,803	-
Closing Balance as at 30 June	2,290,803	-

10 PAYABLES

Contractual	2013 \$	2012 \$
Trade Creditors	258,980	307,093
Termination Payments Payable	53,509	318,878
Accrued Project Grants	899,681	1,640,220
Accrued Expenses	328,522	418,550
Total Contractual	1,540,692	2,684,741
Statutory		
Trade Creditors	575,898	-
Other Creditor (Department of Environment and Primary Industries)	4,300,000	-
Accrued Expenses	27,469	88,254
Total Statutory	4,903,367	88,254
Total Payables	6,444,059	2,772,995

11 PROVISIONS

Current	2013 \$	2012 \$
Annual leave and unconditional long service leave entitlements, representing 7 years of continuous services:		
Short-term employee benefits that fall due within 12 months after the end of the period, measured at nominal value:		
Annual Leave	767,935	826,346
Long Service Leave	581,851	536,391
Provisions related to employee benefit on-costs	207,813	236,522
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	303,191	401,970
Provisions related to employee benefit on-costs	47,395	66,502
Total	1,908,185	2,067,731
Non-current		
Conditional Long Service Leave	307,672	383,610
Provisions related to employee benefit on-costs	48,096	63,464
Total	355,768	447,074
Total Provisions	2,263,953	2,514,805

12 BORROWINGS

	2013 \$	2012 \$
Current Borrowings		
Lease Liabilities	133,655	153,017
Total Current Borrowings	133,655	153,017
Non-Current Borrowings		
Lease Liabilities	45,857	39,139
Total Non-Current Borrowings	45,857	39,139
Total Borrowings	179,512	192,156

13 SUPERANNUATION

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

	2013 \$	2012 \$
Defined benefit fund		
Emergency Services and State Super Fund	32,897	36,744
Accumulation funds		
VicSuper	537,501	665,081
Vision Super	53,640	68,228
Australian Super	42,201	42,200
Australian Ethical Super Fund	23,244	27,197
Hostplus	27,835	12,116
UniSuper	36,186	37,581
Various other accumulation funds	166,006	204,523
Total	919,510	1,093,670

Superannuation contributions outstanding at 30 June 2013 were \$4,119 (2012: \$9,272).

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

14 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	2013 \$	2012 \$
Net surplus/(deficit) for the year	11,767,257	4,049,698
Depreciation	202,012	279,009
Write down of assets	26,970	–
Finance lease costs	11,504	15,809
Gain on disposal of assets	(3,426)	(2,641)
Decrease in employee entitlements	(250,852)	(56,558)
Decrease in intangibles	(2,290,803)	–
Increase in non-financial assets held for sale	2,290,803	–
Increase in payables	3,671,064	385,174
Decrease in prepayments	(3,705)	(93,288)
(Decrease)/Increase in receivables	(1,813,487)	13,072
Decrease in unearned revenue	–	(309,000)
Net Cash Inflow from Operating Activities	13,607,337	4,281,275

15 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 2013.

The following commitments have been contracted for by Sustainability Victoria.

	2013 \$	2012 \$
(i) not later than one year	982,610	944,818
(ii) later than one year but not later than five years	4,339,521	4,172,617
(iii) later than five years	3,948,755	5,098,269
Total	9,270,886	10,215,704

16 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 Sustainability Victoria.

	Minimum future lease payments		Present value of minimum future lease payments	
	2013 \$	2012 \$	2013 \$	2012 \$
(i) not longer than one year	138,197	157,805	133,655	153,017
(ii) longer than one year and not longer than five years	50,313	39,647	45,857	39,139
Minimum future lease payment	188,510	197,452	179,512	192,156
Less: future finance charges	8,998	5,296	–	–
Present value of minimum lease payments	179,512	192,156	179,512	192,156
Included in the financial statements as:				
Current borrowings lease liabilities (Note 12)	–	–	133,655	153,017
Non-current borrowings lease liabilities (Note 12)	–	–	45,857	39,139
Total	–	–	179,512	192,156

17 COMMITTED EXPENDITURE

Financial commitments entered into through 229 contracts by Sustainability Victoria as at the reporting date (284 at 30 June 2012), not included in the Balance Sheet and to be carried forward into the 2013-14 financial year and beyond, are as follows:

	2013 \$	2012 \$
(i) not later than one year	10,719,104	8,580,049
(ii) later than one year but not later than five years	4,197,449	2,896,702
Total Commitments	14,916,553	11,476,751

18 SUSTAINABILITY FUND

The Sustainability Fund (SF) account forms part of the Environment 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 Sustainability Victoria, in accordance with the *Environment Protection (Distribution of Landfill Levy) Regulations*. Funds in the SF account are allocated by the Premier and the Minister for Environment and Climate Change to projects aimed at best practices in waste management and fostering environmentally sustainable use of resources in accordance with the *Environment Protection Act 1970* (Vic) and the Sustainability Fund Priority Statement.

The SF Secretariat, managed by Sustainability Victoria (SV), oversees the management of these projects and receives a management fee for doing so. Except for the management fees, all payments to grant recipients and reimbursements from the EPA relating to these projects are processed by Sustainability Victoria through its balance sheet.

Payments made to funding recipients totalled \$35,576,269 (2012: \$27,063,325). An amount held of \$550,000 had not been paid to the Metropolitan Waste Management Group, due to the non-delivery of milestones as at 30 June 2013.

Reconciliation of Sustainability Fund Account:	Total \$
Opening balance 1 July 2012	118,321,147
Share of landfill levies received by the Sustainability Fund	88,606,256
Amounts received from EPA to be paid to funding recipients	(36,126,269)
Sustainability Victoria's management fee (\$767,405) plus other direct expenses	(800,000)
Closing Balance 30 June 2013	170,001,134
Opening balance 1 July 2011	47,038,025
Share of landfill levies received by the Sustainability Fund	99,146,447
Amounts received from EPA to be paid to funding recipients	(27,063,325)
Sustainability Victoria's management fee (\$763,450) plus other direct expenses	(800,000)
Closing balance 30 June 2012	118,321,147

19 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 2012 to 30 June 2013		
Dr Gillian Sparkes, Chair	9	9
Mike Hill, Deputy Chair	9	8
Cheryl Batagol	9	8
Suzanne Evans	9	8
Tony Hinton	9	9
Ron Lovett	9	8
Ross McCann	9	5

Accountable Officer: Stan Krpan, Chief Executive Officer

The remuneration of the Minister for Environment and Climate Change, Hon Ryan Smith, is reported in the financial statements of the Department of Premier and Cabinet.

20 RELATED PARTY TRANSACTIONS

The nature and terms and conditions of the project grants, consulting services, rental agreements and sponsorships between Sustainability Victoria and the Related Parties totalled \$167,342 paid and payable (2012: \$199,557). All transactions with related parties were conducted at arm's length and were the same as for all other grant recipients, consultants, rental agreements and sponsorship recipients. No other related party transactions occurred during the reporting period.

Board member	Entity	Details	\$
Cheryl Batagol and Ross McCann	Environment Protection Authority (EPA)	Deed of novation of NPCIA Service Agreement	102,795
Dr Gillian Sparkes and Suzanne Evans	Department of Environment and Primary Industries	Accommodation Licence and Business Services Agreement for 5 Regional Office Locations.	64,547
Total			167,342

21 REMUNERATION

Remuneration of Responsible Persons

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

Income band	Total remuneration 2013 No.	Base remuneration 2013 No.	Total remuneration 2012 No.	Base remuneration 2012 No.
0-\$9,999	7	7	11	11
\$30,000-\$39,999	0	0	0	1
\$130,000-\$139,999	0	0	1	0
\$240,000-\$249,999	0	0	0	1
\$250,000-\$259,999	0	0	1	0
\$270,000-\$279,999	0	1	0	0
\$290,000-\$299,999	1	0	0	0
Total numbers	8	8	13	13
Total amount	\$349,248	\$329,555	\$464,830	\$355,338

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.

Sustainability Victoria engaged one contractor as Acting Director Corporate Services during the reporting period with significant management responsibilities, with details included in the table below. Although the contractor's responsibility included planning, directing or controlling, directly or indirectly, the entity's activities, they did not hold a financial delegation.

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 2013 No.	Base remuneration 2013 No.	Total remuneration 2012 No.	Base remuneration 2012 No.
Income band				
\$100,000–\$109,999	0	0	1	1
\$110,000–\$119,999	0	1	2	2
\$120,000–\$129,999	1	0	0	0
\$140,000–\$149,999	1	1	0	0
\$150,000–\$159,999	1	1	0	0
\$190,000–\$199,999	0	1	0	0
\$200,000–\$209,999	1	0	0	1
\$210,000–\$219,999	0	0	1	0
Total numbers	4	4	4	4
Total annualised employee equivalents (AEE)	4.0	4.0	3.1	3.1
Total amount	\$630,432	\$613,122	\$558,867	\$539,939

22 AUDITOR'S REMUNERATION

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

	2013 \$	2012 \$
Audit fee	25,575	24,850

23 FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

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

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

(b) Interest Rate Risk Including Exposure

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

As at 30 June 2013

	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
	\$	\$	\$	\$	\$	%
Financial Assets						
Cash Assets	631,467	36,000,000	–	1,700	36,633,167	2.80
Receivables	–	–	–	182,721	182,721	
Total Financial Assets	631,467	36,000,000	–	184,421	36,815,888	
Financial Liabilities						
Payables	–	–	–	1,540,692	1,540,692	
Finance leases	–	133,655	45,857	–	179,512	6.62
Total financial liabilities	–	133,655	45,857	1,540,692	1,720,204	

As at 30 June 2012

	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
	\$	\$	\$	\$	\$	%
Financial Assets						
Cash Assets	420,500	23,000,000	–	1,700	23,422,200	3.54
Receivables	–	–	–	62,764	62,764	
Total Financial Assets	420,500	23,000,000	–	64,464	23,484,964	
Financial Liabilities						
Payables	–	–	–	2,684,741	2,684,741	
Finance leases	–	153,017	39,139	–	192,156	6.47
Total financial liabilities	–	153,017	39,139	2,684,741	2,876,897	

(c) Ageing Analysis of Contractual Receivables

2013	Carrying amount	Not past due and not impaired	Past due but not impaired		
			Less than 1 month	1–3 months	3 months– 1 year
Receivables					
Trade Debtors	84,888	68,388	16,500	–	–
Other Debtors	17,914	–	3,289	5,295	9,330
Investment and other contractual financial assets:					
Accrued Interest Income	79,919	79,919	–	–	–
Total	182,721	148,307	19,789	5,295	9,330
2012					
Receivables					
Trade Debtors	8,800	8,800	–	–	–
Other Debtors	19,875	–	3,585	8,334	7,956
Investment and other contractual financial assets:					
Accrued Interest Income	34,089	34,089	–	–	–
Total	62,764	42,889	3,585	8,334	7,956

(d) Maturity Analysis of Contractual Financial Liabilities

2013	Carrying amount	Nominal Amount	Maturity dates		
			Less than 1 month	1–3 months	3 months–1 year
Payables:					
Trade Creditors	258,980	258,980	258,980	–	–
Termination Payments Payable	53,509	53,509	53,509	–	–
Accrued Project Grants	899,681	899,681	899,681	–	–
Accrued Expenses	328,522	328,522	328,522	–	–
Total	1,540,692	1,540,692	1,540,692	–	–
2012					
Payables:					
Trade Creditors	307,093	307,093	307,093	–	–
Termination Payments Payable	318,878	318,878	318,878	–	–
Accrued Project Grants	1,640,220	1,640,220	1,640,220	–	–
Accrued Expenses	418,550	418,550	418,550	–	–
Total	2,684,741	2,684,741	2,684,741	–	–

24 CONTINGENT ASSETS/LIABILITIES

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

25 EVENTS OCCURRING AFTER REPORTING DATE

On 31 July 2013, the Board of SV approved the sale of 88,100 Renewable Energy Certificates held by SV (refer to Notes 8 & 9), with the proceeds to be forwarded to the Department of Environment and Primary Industries.

This sale occurred on 22 August 2013 and the impact has been built into SV's forward budgets.

26 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:
 - (i) to receive cash or another financial asset from another entity; or
 - (ii) 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:
 - (i) 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
 - (ii) 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, Statement of Changes in Equity and Cash Flow Statement, presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of Sustainability Victoria as at 30 June 2013.

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



Stan Krpan

Chief Executive Officer

Sustainability Victoria



Derek Jones

Chief Financial Officer

Sustainability Victoria

Melbourne
27/08/2013

Melbourne
27/08/2013

Melbourne
27/08/2013



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Sustainability Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2013 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 the Sustainability Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, 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 and fair presentation 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 Members, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

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.


Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Sustainability Victoria as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, 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 2013 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
29 August 2013


for John Doyle
Auditor-General

PART 8

LEGISLATIVE COMPLIANCE

The 2012–13 Annual Report of Sustainability Victoria is prepared in accordance with all relevant Victorian legislation.

BUILDING ACT

We do not own or control any government buildings and consequently are exempt from notifying our compliance with the building and maintenance provisions of the *Building Act 1993* (Vic).

FREEDOM OF INFORMATION ACT

The *Freedom of Information Act 1982* (Vic) gives the public a right of access to documents held by Sustainability Victoria. For the 12 months ending 30 June 2013, we received no requests.

To access documents, you must write to the Freedom of Information Officer. Your request should:

- be in writing
- identify as clearly as possible which document is requested
- be accompanied by the \$25.70 application fee, which may be waived in certain circumstances.

Requests for documents possessed by us should be addressed to:

Mr Derek Jones

Sustainability Victoria

Level 28
50 Lonsdale Street
Melbourne Victoria 3000

Telephone (03) 8626 8700
Facsimile (03) 9663 1007
Email derek.jones@sustainability.vic.gov.au
Requests can also be lodged online at www.foi.vic.gov.au

Access charges may also apply once documents have been processed and a decision on access is made; for example, photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au.

The following information is available from the Freedom of Information Officer, subject to the Freedom of Information Act:

- a statement declaring that all pecuniary interests have been duly completed by all relevant officers
- details of shares held by senior officers as nominee, or held beneficially in a statutory authority or subsidiary

- details of publications we have produced about our activities, and how you can obtain these. In particular, note that you can subscribe to our email newsletters and alerts, KABV newsletter and Schools News via our website <http://www.sustainability.vic.gov.au/www/html/3620-subscribe.asp>
- details of changes in prices, fees, charges, rates and levies charged by us
- details of any major external reviews of our operations
- details of major research and development activities undertaken by us
- details of overseas visits, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities we have undertaken to develop community awareness of us and our services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations, and details of time lost through industrial accidents and disputes
- a list of major committees, their purposes and achievements.

INFORMATION PRIVACY ACT

We collect and use customer information according to our *Information Privacy Policy and the Information Privacy Act 2000* (Vic). In 2012–13, we received no complaints for breaches of privacy.

You can get a copy of our Privacy Statement by phoning (03) 8626 8700, by emailing privacy@sustainability.vic.gov.au or by visiting our website at www.sustainability.vic.gov.au.

NATIONAL COMPETITION POLICY

Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs and
- the objectives of the legislation can only be achieved by restricting competition.

We continue to comply with the requirements of the National Competition Policy. Competitive neutrality means fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses might have, simply as a result of government ownership, should be neutralised. We continue to apply this principle in our business undertakings.

VICTORIAN INDUSTRY PARTICIPATION POLICY

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

During 2012–13, we completed one contract relevant to VIPP and did not commence any contracts relevant to VIPP.

Details of the contract completed to which the VIPP applied are as follows:

- The contract commenced on 3 October 2008 and was completed on 30 June 2013.
- The contract totalled \$7.3 million in value, affecting both metropolitan Melbourne and regional Victoria.
- The outcomes reported by the contractor under VIPP were consistent with its commitments and included:
 - an overall level of local content of 98 per cent of the total value of the contract and eight full-time equivalent jobs
 - benefits to the Victorian economy in terms of skills and technology transfer, including operation of advanced waste management technologies
 - occupational health and safety skill training, chemical awareness and safety training, warehouse and storage certification, driver certification in transporting Prescribed Industrial Waste, development of computer and technical data management skills.

In line with its VIPP statement, upskilling has been a key feature for several of the contractor's staff who have taken on the challenge of operating critical equipment for processes such as paint depacking via the contractor's HazPak machine and Fluorescent Tube processing. Included in the upskilling has been advanced driver training to enable those drivers who aren't truck and trailer licenced to achieve that status.

WHISTLEBLOWERS PROTECTION ACT

The *Whistleblowers Protection Act 2001* (Vic) encourages and helps people to disclose improper conduct by public officers and public bodies. The Act protects people who disclose in accordance with the Act, and establishes a system where the information disclosed can be investigated and matters rectified.

We do not tolerate improper conduct by employees, or reprisals against people who disclose this conduct. We ensure transparency and accountability in our administration and management, and we support disclosures that reveal corrupt conduct, substantial mismanagement of public resources, and substantial risks to public health and safety or the environment.

We will take all reasonable steps to protect people who make disclosures from any reprisals. We will also afford natural justice to the person who is the subject of the disclosure, to the extent it is legally possible.

In 2012–13, no disclosures were reported in accordance with the Act.

FURTHER INFORMATION

Written guidelines outlining the system for reporting disclosures are available on our website and in Appendix 8.

PROTECTED DISCLOSURE ACT

On 10 February 2013, the *Protected Disclosure Act 2012* (Vic) commenced, replacing the Whistleblowers Protection Act. We are currently developing policies and procedures to implement the Protected Disclosure Act by 10 August 2013. Visit our website at www.sustainability.vic.gov.au after 10 August 2013 for information on our new policies and procedures in accordance with the Protected Disclosure Act.

DISABILITY ACT

Managing and celebrating diversity – compliance with other legislation

Sustainability Victoria (SV) is committed to actively managing diversity by adopting and implementing inclusive policies and strategies that advance diversity as a positive force in our organisation. We value the differences between people and the contribution these differences make to our organisation to foster greater innovation, stronger problem-solving capability, leadership, superior customer service, increased morale, motivation and engagement.

As part of our commitment to supporting a diverse workplace, we meet our legislative requirements and actively support inclusion by:

- encouraging and valuing diversity and inclusion
- ensuring equitable and fair treatment for all
- respecting and upholding human rights.

We have a range of policies to support and promote a diverse workforce (Diversity, Equal Employment Opportunity [EEO], Bullying, Grievance and Flexible Work Options) and in 2013, we undertook a review of our organisational values. The newly developed Guide to Values and Behaviours supports our commitment to providing a workplace that is free of discrimination, harassment, victimisation and bullying.

In June 2013, a baseline for diversity inclusion was developed in the form of a Diversity Inclusion Plan. The Plan will be implemented from July 2013 to June 2016, with ongoing monitoring and review by the People & Culture Committee. The plan forms the basis for progressing diversity initiatives beyond existing policies across SV, and includes minimum legislative requirements outlined in the *Disability Act 2006* (Vic). This includes awareness raising and celebration of diversity and ensuring access to our goods, services and facilities.

PART 9

DISCLOSURE INDEX

DISCLOSURE INDEX

The 2012–13 Annual Report of Sustainability Victoria is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the authority's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Charter and purpose		
FRD22D	Manner of establishment and the relevant Ministers	4
FRD22D	Objectives, functions, powers and duties	4
FRD22D	Nature and range of services provided	4
Management and structure		
FRD22D	Organisational structure	6
Financial and other information		
FRD10	Disclosure index	58, 59
FRD12A	Disclosure of major contracts	30
FRD15B	Executive Officer disclosures	47
FRD22D	Objectives and performance against objectives	4, 7
FRD22D	Employment and conduct principles	28, 29
FRD22D	Occupational health and safety policy	69
FRD22D	Summary of the financial results for the year	30, 31
FRD22D	Significant changes in financial position during the year	30
FRD22D	Major changes or factors affecting performance	30
FRD22D	Subsequent events	30
FRD22D	Application and operation of <i>Freedom of Information Act 1982</i> (Vic)	55
FRD22D	Compliance with building and maintenance provisions of <i>Building Act 1993</i> (Vic)	55
FRD22D	Statement on National Competition Policy	55
FRD22D	Application and operation of the <i>Whistleblowers Protection Act 2001</i> (Vic)	56, 74
FRD22C	Details of consultancies over \$10,000	31
FRD22C	Details of consultancies under \$10,000	31
FRD22D	Statement of availability of other information	30
FRD22D	Reporting of office-based environmental data	71
FRD25A	Victorian Industry Participation Policy	56
FRD29	Workforce data disclosures	67
SD 4.5.5	Attestation for compliance with the Australian/New Zealand Risk Management Standard	89
SD 4.5.5.1	Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance	88
SD 4.2 (g)	Specific information requirements	4
SD 4.2 (j)	Sign-off requirements	52

Legislation	Requirement	Page reference
Financial statements required under Part 7 of FMA		
SD 4.2 (a)	Statement of changes in equity	34
SD 4.2 (b)	Operating statement	32
SD 4.2 (b)	Balance sheet	33
SD 4.2 (b)	Cash flows statement	34
Other requirements under Standing Directions 4.2		
SD 4.2 (c)	Compliance with Australian accounting standards and other authoritative pronouncements	35
SD 4.2 (c)	Compliance with Ministerial Directions	45
SD 4.2 (d)	Rounding of amounts	35
SD 4.2 (c)	Accountable officer's declaration	52
SD 4.2 (f)	Compliance with Model Financial Report	35
Other disclosures as required by FRDs in notes to the financial statements		
FRD11	Disclosure of ex-gratia payments	N/A
FRD 21B	Disclosures of responsible persons, executive officers and other personnel	45, 46, 47
FRD 103D	Non-current physical assets	36
FRD 109	Intangible assets	36
FRD 110	Cash flow statements	34
FRD 112C	Defined benefit superannuation obligations	38
FRD 114A	Financial instruments – general government entities and public non-financial corporations	48
FRD 119	Contributions by owners	34
Legislation		
<i>Freedom of Information Act 1982</i> (Vic)		55
<i>Building Act 1993</i> (Vic)		55
<i>Whistleblowers Protection Act 2001</i> (Vic)		56, 74
<i>Victorian Industry Participation Policy Act 2003</i> (Vic)		56
<i>Financial Management Act 1994</i> (Vic)		35
<i>Information Privacy Act 2000</i> (Vic)		55

PART 10

LANDFILL LEVY

The following summary of the way the landfill levy is distributed to Sustainability Victoria (SV), the Environment Protection Authority (EPA), the waste management groups and the Sustainability Fund provides a clearer understanding of where the levy is spent.

LANDFILL LEVY RECEIPTS AND DISTRIBUTION

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

IN 2012–13, THE EP FUND DISTRIBUTED \$144.72 MILLION FROM LANDFILL LEVIES

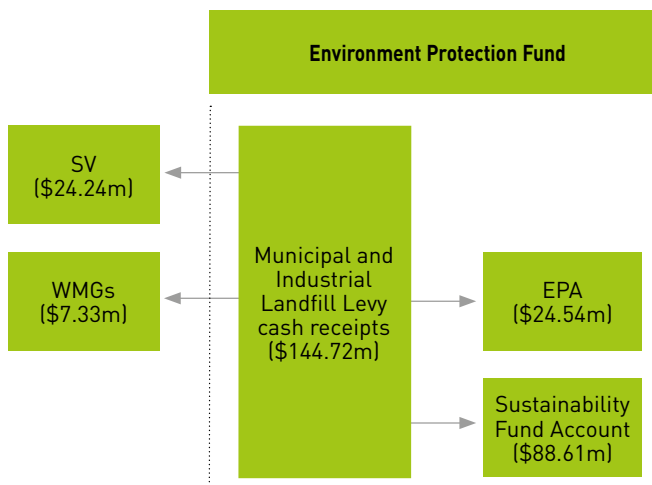
Levies received in the EP Fund are distributed in accordance with the Environment Protection (Distribution of Landfill Levy) Regulations 2010. These regulations govern the distribution of money to the WMGs, SV and EPA. The remainder of the money is then transferred into the Sustainability Fund account, within the EP Fund, held by EPA.

In 2012–13, SV received \$24.24 million, EPA received \$24.54 million and waste management groups received \$7.33 million. The remaining funds, totalling \$88.61 million, were transferred to the Sustainability Fund account. Figure 3 below summarises this distribution.

SV'S USE OF LANDFILL LEVY

The *Sustainability Victoria Act 2005* (Vic) specifies our objectives and functions, and we outline our annual priorities in our annual business plan. To do our work, we receive revenue from a range of sources, including government grants (appropriation), the landfill levy, and other sources for specific programs and purposes. We detail our full income and expenditure statements in Part 6 (Annual Financial Statements).

Figure 3: Landfill Levy Distributions 2012–13



PART 11

SUSTAINABILITY FUND

The Sustainability Fund is created by the *Environment Protection Act 1970* (Vic) for the purposes of fostering environmentally sustainable uses of resources and best practices in waste management and fostering community action to tackle climate change. All allocations are made jointly by the Premier and Minister for Environment and Climate Change.

Over \$35 million was distributed from the Fund to grants and strategic initiatives in 2012–13.

Section 70D of the *Environment Protection Act 1970* requires us to include a copy of the Sustainability Fund Advisory Panel's recommendations in our annual report for the financial year in which the panel made its recommendations. The Sustainability Fund Advisory Panel (Table 6) did not make any recommendation for funding in 2012–13. We must also include a list of all Sustainability Fund grants made in that financial year – please refer to Appendix 9.

Table 6: Sustainability Fund Advisory Panel membership

Member	Expiry of current term
Mick Murphy OAM (Chair)	11 February 2015
Jan Boynton	11 February 2015
Dr Sarah Ewing	11 February 2015
Anne Dalton	8 July 2015
Joanne Anderson	8 July 2015

Fostering environmentally sustainable uses of resources and best practices in waste management and fostering community action to tackle climate change

Current focus

As the authority responsible for management of the Sustainability Fund, we distribute funds on behalf of the Premier and the Minister for Environment and Climate Change. We maintain the Sustainability Fund secretariat for this purpose.

The Fund supports best practice in waste management and environmentally sustainable resource use to enhance Victoria socially and economically, and to foster community action and innovation on climate change. To achieve this, funds are allocated to various competitive funding rounds and strategic initiatives.

Key achievements

Over \$35 million was distributed from the Sustainability Fund to grants and strategic initiatives in 2012–13.

To meet our commitments to the Fund, we:

- improved governance, transparency and reporting processes
- continued to manage all pre-existing strategic funding allocations and over 80 projects from previous funding rounds, together with those announced in 2012–13
- continued secretariat support to the Sustainability Fund Advisory Panel.

APPENDIX 1

BOARD MEMBERSHIP AND OPERATIONS

BOARD MEMBERS



Dr Gillian Sparkes, PhD, MBA, Chair

Gillian was appointed as the Chair of Sustainability Victoria in May 2011.

Gillian has extensive experience as a senior executive in the private and public sectors over a long career in the manufacturing, waste management and water industries, and research sectors. Gillian is also the Executive Director of External Affairs for WorkSafe Victoria, a strategic leadership role with executive responsibility for stakeholder engagement and supporting services. Immediately prior to joining WorkSafe, Gillian was the Deputy Secretary Corporate and Business Services for the Department of Environment and Primary Industries in Victoria (formerly DSE), where she led significant organisational reforms.

Gillian's qualifications include a PhD in Applied Science (Chemistry) and a Masters of Business Administration. Gillian is a graduate of the Australian Institute of Company Directors.



Mike Hill, Deputy Chair

Mike has three decades of close involvement with local governments, including serving as a Councillor and Mayor in the municipalities of Brunswick and Moreland. He was the inaugural CEO of the Victorian Local Governance Association and later designed, and served as Director of, the Victorian Local Sustainability Accord.

Mike has been involved in all of Sustainability Victoria's predecessor organisations stretching over a 25-year period. He also spent 10 years as foundation Chair of the Moreland Energy Foundation and was the inaugural chair of ECO-Buy Limited, a Centre for Excellence in Environmental Purchasing. He is Chair of the Natural Resources Conservation League and co-director of WestWyck, a company developing an eco-housing project on a former school site in Brunswick West.



Cheryl Batagol

Cheryl is the Chair of the Victorian Environment Protection Authority (EPA) and is a member of the Victorian Catchment Management Council. She is a former Chairman of Melbourne Water and board member of City West Water and Southern Rural Water.

Cheryl has 30 years' experience in the waste management industry, including commercial, industrial and trade waste management and treatment. Cheryl served as the former Chair of EcoRecycle Victoria from 2003 to 2005.



Suzanne Evans

Suzanne is a partner in a horticultural enterprise in central Victoria.

She is also a non-executive director of Austin Health. She also sits as an independent member in the Risk and Audit Committee for the Department of Environment and Primary Industries. She is a past member of the Osteopaths' Registration Board of Victoria, North East Water Corporation and the Medical Practitioners' Board of Victoria's Customer Consultative Committee. Suzanne sits on the accreditation committee for the Australian and New Zealand Osteopathic Council. She has executive experience in the water industry, at State Treasury, as principal of a public accounting practice and in academia.



Ross McCann

Ross is the Executive Chair of Qenos and President of the Plastics and Chemicals Industry Association. He is also a member of the EPA's Environment Protection Board.

He spent 25 years in management-based roles at ICI Australia across operations, business development, projects and also in leading business units. He has also been a member of the Executive Committee of WMC Resources Ltd.



Ron Lovett MAICD

Ron has over 40 years' continuous involvement in the major infrastructure building and construction sectors, working both overseas and throughout Australia, and over 30 years' experience at senior management level in all aspects of project development and financing, including organisational, business leadership and strategic planning roles with Abigroup, one of Australia's largest infrastructure construction services contractors.

Ron also has extensive experience in executive elected position roles in not-for-profit and industry leadership organisations.



Tony Hinton

Tony is a consultant in economic policy and public policy issues. He has extensive public policy experience in Australia and overseas, with a wide-ranging mix of government, financial, commercial and diplomatic responsibilities.

From 2002 to 2007, Tony was a full-time Commissioner at the Productivity Commission, which is the Australian Government's principal review and advisory body on economic reform and regulation. Prior to that, he was Australia's Ambassador to the OECD in Paris, which followed on from a 27-year career in the Australian Treasury.

BOARD OPERATIONS

Board meetings

Board Member	Meetings held during period of appointment	Meetings attended
Dr Gillian Sparkes, Chair	9	9
Mike Hill, Deputy Chair	9	8
Cheryl Batagol	9	8
Suzanne Evans	9	8
Tony Hinton	9	9
Ron Lovett	9	8
Ross McCann	9	5

Board committees

Three committees help the board perform its corporate governance responsibilities:

- Audit, Risk and Finance
- People & Culture
- Performance and Remuneration

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

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee focuses on risk management, statutory and regulatory compliance, financial management and audit assurance.

In 2012–13, the committee reviewed and monitored:

- the implementation of the risk management program
- the governance and reporting of the Sustainability Fund
- the internal plan for 2013
- information technology vulnerability testing
- contract approvals and exemptions
- compliance with the Department of Treasury and Finance's Financial Management Compliance Framework at 30 June 2012.

In August 2013, the committee also reviewed and confirmed:

- risk attestation compliance at 30 June 2013.

The Audit, Risk and Finance Committee comprised two board members in 2012–13: Suzanne Evans (Chair) and Ross McCann. Frank King was an external, independent member until 31 March 2013, when his term expired. Janice van Reyk and Robert Hogarth were appointed as external, independent members in April 2013. Table 8 shows committee members' meeting attendance.

The Audit, Risk and Finance Committee satisfies the independence criteria according to the Minister for Finance's standing directions. See Appendix 11 for the Board Chair's risk attestation.

Table 8: Audit, Risk and Finance Committee members

Committee member	Meetings held during appointment	Meetings attended
Suzanne Evans, Chair	5	5
Ross McCann	5	4
Frank King	4	4
Janice van Reyk	1	1
Robert Hogarth	1	1

People & Culture Committee

In 2012–13, the name of the Human Resources Committee was changed to the People & Culture Committee. The committee reviewed and refreshed its terms of reference to ensure it was providing targeted support and advice.

The primary responsibility of the People & Culture Committee is to assist the board in fulfilling its corporate governance responsibilities by:

- setting strategic direction and framework for the delivery of the People & Leadership corporate capability
- reviewing effectiveness of people strategies and policies
- ensuring appropriate monitoring and compliance is in place, with requisite reporting to the board.

In 2012–13, the committee:

- endorsed a three year People & Leadership strategy and implementation plan
- endorsed a capability framework, and talent management and succession strategy, for the organisation
- provided strategic oversight and input into the cultural improvement action plan
- provided advice and input into the revised Health, Safety & Wellbeing policy and implementation, encouraging a focus on psychological wellbeing and zero harm
- reviewed and updated risks identified in the people strategic risk register
- monitored and analysed trends arising from quarterly People & Culture metrics.

The committee comprised two board members in 2012–13: Ron Lovett (Chair – newly appointed) and Cheryl Batagol, and one external member, Jeannette Lang (newly appointed). Table 9 shows committee members' meeting attendance. The committee members will remain unchanged in financial year 2013–14.

Table 9: People & Culture Committee members

Committee member	Meetings held during appointment	Meetings attended
Ron Lovett, Chair	5	4
Cheryl Batagol	5	5
Jeannette Lang	3	3

Performance and Remuneration Committee

The primary responsibility of the Performance and Remuneration Committee is to assist the board in fulfilling its corporate governance responsibilities through:

- Chief Executive Officer (CEO) recruitment, selection, performance and succession
- executive performance and succession
- monitoring and compliance.

The committee comprised three board members: Gillian Sparkes (Chair), Mike Hill and Ron Lovett.

Table 10: Performance and Remuneration Committee members

Committee member	Meetings held during appointment	Meetings attended
Gillian Sparkes	3	3
Mike Hill	3	3
Ron Lovett	3	3

APPENDIX 2

GREENHOUSE GAS

INVENTORY STATEMENT



Net Balance Management Group Pty Ltd
ABN 50 121 705 081

Level 4, 460 Bourke Street
Melbourne VIC 3000 Australia

T +61 3 8641 6400

F +61 3 9600 1295

E info@netbalance.com

W netbalance.com

INDEPENDENT VERIFICATION STATEMENT

Greenhouse Gas Inventory: 2012-13

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 2012 to 30 June 2013. 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 for the period 1 July 2012 to 30 June 2013, as presented in the organisation's 2012-13 Annual Report. 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 'Our office based environmental performance' section of Appendix 7 on page 69 of the Annual Report. As factors contributing to the inventory, total reported tonnes of GHG emissions related to energy, paper and waste associated with Sustainability Victoria's operations were also within the verification scope.

The verification engagement was undertaken during July and August 2013 against the requirements of the GHG Protocol and the ISO 14064 international standard series for the quantification, validation and verification of greenhouse gas emissions. The verification process involved:

- A review of the GHG inventory contained within the Annual report.
- Sighting calculation methodologies and re-performing calculations to substantiate the GHG inventory claims made within the Annual Report.
- An interview with key personnel responsible for calculating the GHG inventory in order to understand data sources, reliability of data, completeness of data and the basis of key assumptions used in reporting.
- Evaluation of supporting documentary evidence.

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 the 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 verification process and procedures conducted, there is no evidence that the GHG inventory claims made in Sustainability Victoria's Annual Report:

- are not materially correct and are not a fair representation of data and information, and
- have not been prepared in accordance with accepted standards and practice.

Any errors identified during the verification process were rectified prior to the Annual Report being published.

On behalf of the verification team

29 August 2013

Melbourne, Australia

Terence Jeyaretnam, FIEAust

Director, Net Balance, Lead CSAP (AccountAbility UK)

APPENDIX 3

OUR WORKFORCE

In 2012–13, Sustainability Victoria employed 105.7 full-time equivalent (FTE) staff, compared with 113 in 2011–12. See below for data on workforce composition, average salaries by gender and Victorian Public Service (VPS) classification.

OUR WORKFORCE¹

	2013	2012	2011	2010	2009
	105.7	113	143	138	134

June 2012–June 2013

	Ongoing employees ¹			Fixed term and casual employees	
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE ²	FTE ²
June 2013	95	78	17	87.9	17.8
June 2012	102	84	18	95	18

	2013			2012		
	Ongoing ¹		Fixed-term & casual employees	Ongoing ⁽¹⁾		Fixed term & casual employees
	Employees (headcount)	FTE ²	FTE ²	Employees (headcount)	FTE ²	FTE ²
Gender						
Male	40	39.4	6	42	41	6
Female	55	48.5	11.8	59	53	12
Total Age						
Under 25	0	0	0	0	0	0
25–34	20	19.8	5.8	24	23	7
35–44	36	31.3	8	37	33	7
45–54	22	20.8	1	25	24	1
55–64	15	14.4	3	14	13	2
Over 64	2	1.6	0	1	1	1
Total Classification						
VPS 1	0	0	0	0	0	0
VPS 2	0	0	0	1	1	0
VPS 3	5	5	2	9	8	1
VPS 4	33	29.2	2	31	27	8
VPS 5	38	34.7	10.8	36	34	6
VPS 6	14	14	3	21	21	2
STS	0	0	0	2	2	0
Executive	5	5	0	2	2	1
Total	95	87.9	17.8	102	95	18

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 4

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 three EOs in 2012–13. Responsible for ongoing functions or outputs, all executive positions are classified as fixed term and ongoing. The following table details our EO positions by gender.

Breakdown of executive officers into gender

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

1. Variation from previous reporting period.

APPENDIX 5

OCCUPATIONAL HEALTH & SAFETY STATEMENT

HEALTH, SAFETY & WELLBEING POLICY STATEMENT

Sustainability Victoria (SV) is an agency of the Victorian Government enacted to drive integrated waste management and resource efficiency in Victoria. Our people are fundamental to our success; we strive to integrate health, safety and wellbeing into all aspects of our activities to provide our employees with a positive, healthy and safe working environment.

Our board, CEO, Directors and Leaders are committed to providing and promoting a healthy workplace and safe systems of work.

Health, safety and wellbeing (HS&W) is an integral part of business within SV and is the responsibility of every employee. SV recognises that the involvement of everyone is essential in establishing and maintaining positive, healthy and safe working environments and procedures.

SV is committed to ensuring that our employees leave the workplace in the same condition or better as when they arrived, with a focus on zero harm. SV will lead and engage our people with supportive, evidence-based health, safety and wellbeing programs by:

- establishing and supporting a trusting and encouraging culture where health, safety and wellbeing is a primary consideration in everything we do and how we do it
- developing capabilities in first-class health, safety and wellbeing, giving employees the confidence and skills to proactively recognise and respond to health, safety and wellbeing issues and risks beyond the workplace and SV
- complying with relevant health and safety legislation and other requirements placed upon SV or to which we subscribe by:
 - promoting and maximising the importance of workplace wellbeing with recognition and practical intervention strategies to proactively respond to psychological health risks
 - refining the risk management process and ensuring consistency with the nature of workplace activities and scale of HS&W risks
 - establishing measurable objectives and targets for health, safety and wellbeing to ensure continuous improvement aimed at elimination of work-related illness and injury

- providing appropriate HS&W training to all employees
- maintaining due consultation to ensure that all employees are included in the decision-making processes impacting on HS&W
- disseminating HS&W information to all employees, contractors, labour hire employees and visitors to the workplace
- implementing HS&W procedures at all SV work sites.

All employees are required to:

- take such reasonable care as they are capable for their own HS&W and that of others who may be affected by their actions (or lack of actions) at work
- cooperate with SV's efforts to meet its responsibilities by following the systems and procedures of work necessary for safe and healthy operations and participating in all appropriate training
- support workplace wellbeing and mental health through raising risk factors or issues to emphasise a positive and safe work environment
- work safely and observe all occupational health and safety (OH&S) procedures and safe work instructions
- report hazards, risks, incidents, near misses and OH&S concerns of which they are aware.

SV recognises that these policy objectives can best be achieved through effective consultation, communication and cooperation between all employees, working together.

We will actively monitor and review our performance to ensure that we succeed in meeting our health, safety and wellbeing objectives and as far as possible mitigate potential HS&W risk.

We encourage all employees to be aware and take care of their HS&W at SV and beyond.

APPENDIX 6

OCCUPATIONAL HEALTH & SAFETY PERFORMANCE

In 2012–13, we recorded:

- zero days lost to industrial action
- one formal written complaint (investigated and not substantiated)
- no equal opportunity, bullying or harassment complaints
- 3.5 days of lost time due to injury
- two worker's injury claims for minor injuries
- absenteeism (average days lost) of 8.8 days per employee
- an average of 17.7 training hours per employee
- a decrease in staff turnover to 13.6% (from 18.4% in 2011–12).

Performance against health, safety and wellbeing (HS&W) management measures

Measure	KPI	2012–13	2011–12	2010–11
Incidents	Number of incidents	13	8	10
	Rate per 100 FTE	7.10	7.20	7.10
	Average time lost per occurrence	0.4	0	0
Claims	Number of standard claims ¹	2	0	0
Management commitment	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans.	Completed	Completed	Completed
Risk management	Percentage of internal audits/inspections conducted as planned.	100%	100%	100%

1. Data sourced from Victorian WorkCover Authority (VWA).

APPENDIX 7

OUR OFFICE-BASED ENVIRONMENTAL PERFORMANCE

We continued our focus on improving operational sustainability through our Environmental Management System (EMS). We measured resource use and set annual targets, and in 2012–13 continued to maintain ISO 14001 certification for our EMS.

Performance results compared to last year were mixed, with electricity use, potable water use and vehicle emissions increasing, and paper use decreasing. During 2012–13, the Urban Workshop blackwater treatment facility was not operational, resulting in an increase in potable water use. An increase in vehicle emissions

was predominantly due to an increase in kilometres travelled, which reflects our greater regional focus. Figures based on activity per employee were also affected by current staff numbers (103 FTE) compared to the previous year (128 FTE).

In 2012–13, emissions from staff commuting to and from work were included. The inclusion of these data led to an increase of nearly 27% in the organisation's total GHG emissions.

Environmental Aspect ¹	Description	Unit of Measure	2008–09	2009–10	2010–11	2011–12	2012–13
Energy	Office tenant light and power (OTLP) use per THC ²	Megajoules per THC	3,108	3,174	3,064	3,608	4,600
	Office tenant light and power use per FTE ³	Megajoules per FTE	3,344	3,416	3,040	3,869	4,868
	Total Electricity use OTLP	Megajoules	448,046	470,688	474,930	494,311	501,358
	Use per square metre of office space	Megajoules per m ²	230	248	245	255	258
	Total Green Power	%	100%	100%	100%	100%	100%
	Base building apportioned electricity use	Megajoules	424,307	408,326	376,040	361,868	343,116
	Base building apportioned natural gas use ⁴	Megajoules	262,889	281,445	336,226	299,419	312,852
	Total GHG emissions associated with OTLP	Tonnes of CO ₂ -e	0	0	0	0	0
	Total GHG emissions associated with apportioned electricity use	Tonnes of CO ₂ -e	154	153	143	135	128
	Total GHG emissions associated with apportioned gas use	Tonnes of CO ₂ -e	14.6	16	18.6	16.5	17.3
Paper⁵	Use per THC	Reams per THC	6.1	5.27	6.2	5.5	6.36
	Use per FTE	Reams per FTE	6.5	5.66	6.11	5.9	6.73
	Recycled content	Percentage total	95%	95%	93%	97%	99%
	Total use	Reams	873	780	955	759	693
	Paper GHG emissions	Tonnes of CO ₂ -e	4	3.5	4.4	2.9	2.46
Waste⁶	Generated per THC	Kilograms per THC	50	51.8	56	57.6	N/A ⁷
	Generated per FTE	Kilograms per FTE	54	55.8	54.5	61.7	N/A ⁷
	Organics per FTE	Kilograms per FTE	13	13.7	12.9	10.1	8.0
	Recyclables per FTE	Kilograms per FTE	38.8	38.7	40.6	49.1	N/A ⁷
	Landfill per FTE	Kilograms per FTE	2	3.3	2	2.6	3.2
	Organics	Total kg to processor	1,736	1,886	2,016	1,286	827
	Recyclable materials	Total kg to processors	5,204	5,349	6,344	6,272	N/A ⁷
	Landfill	Total kg to landfill	593	449	360	329	329
	Total recycled (incl. organics)	Percentage	96%	94%	96%	96%	N/A ⁷
	Waste GHG emissions	Kilograms	271	449	368	362	395

Environmental Aspect ¹	Description	Unit of Measure	2008-09	2009-10	2010-11	2011-12	2012-13
Water⁸	Potable Consumption per THC	Kilolitres per THC	2.48	2.86	2.42	5.31	8.02
	Potable Consumption per FTE	Kilolitres per FTE	2.94	2.96	2.40	5.69	8.49
	Potable Consumption per unit of Office Space	Kilolitres per m ²	0.20	0.21	0.19	0.37	0.45
	Total potable water consumption	Kilolitres	394	408	376	727	874
	Recycled water floor only	Kilolitres	592	613	563	50	0
	Apportioned water consumption per FTE	Kilolitres per FTE	7.36	7.41	6.01	6.08	8.49
	Total apportioned water consumption ⁹	Kilolitres	986	1021	939	777	874
Transportation¹⁰	Energy consumption per THC	Gigajoules per THC	1.3	1.32	1.24	2.32	4.58
	Energy consumption per FTE	Gigajoules per FTE	1.4	1.42	1.23	2.5	4.85
	Total energy consumption	Gigajoules	188	195.07	192.38	317.49	499
	Total vehicle travel by vehicle type ¹¹	Kilometres	125,074	124,977	90,050	167,426	239,469
	Total associated GHG emissions	Kilograms of CO ₂ -e	12,547	13,054	12,874	21,246	33,412
	GHG emissions/1,000 km travelled	Kilograms of CO ₂ -e	104.3	104.5	144	127	140
	Staff Travel associated with agency operations per THC	Kilometres per THC	868	843	1,801	1,222	2197
	Staff Travel associated with agency operations per FTE	Kilometres per FTE	933	907	1,786	1,311	2325
	Total air travel associated with agency operations	Kilometres	575,122	220,028	435,873	220,870	179,405
	Employees regularly using public transport, cycling or walking to and from work	Percentage	96.0%	93.0%	88.0%	91.0%	83.0%
	Employees regularly using more sustainable modes of transport ¹²	Percentage	21.8%	32.8%	23.0%	28.0%	24.5%
Greenhouse Gas Emissions^{15,16,17}	Total GHG emissions associated with Scope 3 energy use ¹³	Kilograms of CO ₂ -e	0	0	19,789	20,596	20,890
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ -e	12,547	13,054	12,874	21,246	33,412
	Total GHG emissions associated with air travel ¹⁴	Kilograms of CO ₂ -e	136,090	54,244	113,082	57,388	44,250
	Total GHG emissions associated with waste disposal	Kilograms of CO ₂ -e	271	449	368	362	395
	Total GHG emissions from new Scope 3 inclusion effective FY2012-13	Kilograms of CO ₂ -e					113,289
	Total GHG emissions associated with scope of operational activities ¹⁸	Kilograms of CO ₂ -e	512,606	323,067	488,896	432,342	538,003

- Notes:**
- Over the preceding three years SV had an average of over 450 clients/guest visitors per month (or approximately 20 a day). These records are no longer being kept by the Urban Workshop Concierge.
 - THC = Average Total Head Count for the entire year as of 30 June 2013, which includes contractors employed at Sustainability Victoria. Our contractors work on-site, using many of the same resources as our employees. Temporary agency employees are not included in THC.
 - FTE = Full Time Equivalent staff as of 30 June 2013. Temporary agency employees are not included in FTE.
 - Base building apportioned gas consumption is calculated from net lettable area. With SV occupying one floor our apportioned value is 2.9%.
 - One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
 - Waste figures from one-week-a-month measurements taken throughout 2012-13 which is meant to be within ±10% accuracy. Based on verification advice, in FY2012/13 the GHG factor for waste to landfill was changed to the MSW factor from the C&I factor, resulting in an increase in reported emissions per kilogram.
 - The measured figure for recyclable materials collected was 3,614 kg; this implies 35.1 kg of recyclables per FTE, total waste generation of 43.8 kg per THC and 46.3 kg per FTE, and a 93% recycling rate. However, an issue was discovered in the measurement of recyclable materials collected, and as such, this figure may not be an accurate reflection of the actual volume of material collected. Improved measurement methods will be developed and implemented to correct this in FY2013/14.

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8. Total base building water use figure based on an apportioned value (2.9%). Figures for previous years have been backcast for consistency and comparability. The on-site blackwater treatment plant was operational 0% in FY2012/13, thus the increase in total consumption.
 9. Accurate base building apportioned values prior to 2010/11 were questionable and the accuracy of total apportioned for any given year is based on floor area e.g. 2.9% of base building as a whole.
 10. As of June 2013 vehicle fleet entirely made up of Hybrid Camrys, including five regionally located. Figures exclude a limited amount of interstate/overseas travel and ferry travel.
 11. Value incorporates staff driving personal vehicles in some instances where fleet vehicles not accessible.
 12. More sustainable modes of commuting include: cycling, walking and working from home.
 13. The treatment of GreenPower changed in FY 2010/11, with GreenPower purchasing no longer considered abatement for Scope 3 emissions. While SV purchased 100% GreenPower, remaining Scope 3 associated emissions has been offset through the purchase of an accredited carbon offset product.
 14. All previous years' greenhouse estimations have been adjusted based on updated formula from 2010/11. In this example, the Radiative Forcing Index has been decreased from 5 in 2010/11 to 1.9 for the RFI factor and 1.09 for Uplift Factor this year. Previous years have been updated using the same factors as in 2011/12.
 15. In environmental management system language 'greenhouse gas emissions' is not an Environmental Aspect but rather an Environmental Impact. For convenience it has been left in the Environmental Aspect column easier illustration.
 16. Greenhouse gas emission factors based on July 2012 National Greenhouse Accounts factors and EPA Victoria Greenhouse Gas Inventory Management Plan. Emissions from air travel are calculated using DEFRA methodology. Other factors are calculated using ATO, ABS, RACV and V-Line data.
 17. Emissions from publications are calculated using a methodology developed by The Gaia Partnership using the CO2counter technology.
 18. 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 vehicles for work based activities, paper and publications consumption and water consumption. Each year a new Scope 3 item is added as part of our Carbon Accountability strategy. This year a new inclusion was made to incorporate staff commute to and from work; this equated to 113,289 kg of GHG. A 10% buffer in the purchase of carbon offsets has been incorporated to cover any inaccuracies in calculating the components included within SVs Greenhouse inventory boundary.
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APPENDIX 8

WHISTLEBLOWER

WHISTLEBLOWER PROTECTION POLICY AND PROCEDURE

1. Statement of support for whistleblowers

Sustainability Victoria (SV) is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* (the Act). We do not tolerate improper conduct by our employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

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. We will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure.

2. Purpose of these procedures

These procedures establish a process for reporting disclosures of improper conduct or detrimental action by SV or its employees. The process enables such disclosures to be made to the Protected Disclosure Coordinator (PDC). Disclosures may be made by employees or by members of the public. These procedures are designed to complement normal communication channels between supervisors and employees. Employees are encouraged to continue to raise appropriate matters at any time with their supervisors. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

3. Objects of the Act

The Act commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers who 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. SV staff are encouraged to continue to raise appropriate matters at any time with their manager. As an alternative, they may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

4. Definitions of key terms

Three key concepts in the reporting process are improper conduct, corrupt conduct and detrimental action. Definitions of these and other relevant terms are set out below:

4.1 IMPROPER CONDUCT

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

Examples

- To avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.
- An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.
- A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

4.2 CORRUPT CONDUCT

Corrupt conduct means:

- conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;
- the performance of a public officer's functions dishonestly or with inappropriate partiality
- conduct of a public officer, former public officer or a public body that amounts to a breach of public trust
- conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions, or
- a conspiracy or attempt to engage in the above conduct.

Examples

- A public officer takes a bribe or receives a payment other than his/her wages or salary in exchange for the discharge of a public duty.
- A public officer favours unmeritorious applications for jobs or permits by friends and relatives.
- A public officer sells confidential information.

4.3 DETRIMENTAL ACTION

The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure.

Detrimental action includes:

- action causing injury, loss or damage
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.

Examples

- A public body refuses a deserved promotion of a person who makes a disclosure.
- A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.
- A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his/her family or friends.
- A public body discriminates against the whistleblower or his/her family and associates in subsequent applications for jobs, permits or tenders.

4.4 PUBLIC BODY

A public body is defined in section 3 (1) of the Act. For the purposes of the Act, SV is a public body.

4.5 PUBLIC OFFICER

A public officer is defined in section 3 (1) of the Act. For the purposes of the Act, all SV employees are public officers.

4.6 PROTECTED DISCLOSURE

A protected disclosure is a disclosure of improper or corrupt conduct made in accordance with Part 2 of the Act. It 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.
- The person making a disclosure has reasonable grounds for believing the alleged conduct has occurred.

4.7 PROTECTED DISCLOSURE COORDINATOR

The Protected Disclosure Coordinator (PDC) is the SV employee nominated to receive disclosures of improper or corrupt conduct made in accordance with Part 2 of the Act.

4.8 WHISTLEBLOWER

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.

5. The reporting process

5.1 CONTACT PERSONS WITHIN SV

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

Ms Suzanne Knight

Executive Advisor
Level 28, Urban Workshop
50 Lonsdale Street
Melbourne Victoria 3000
Telephone: (03) 8626 8700
Facsimile: (03) 9663 1007
Email: Suzanne.knight@sustainability.vic.gov.au

All correspondence, telephone calls and emails or any other form of communication, from internal or external whistleblowers, will be referred to the PDC.

Where a person is contemplating making a disclosure and is concerned about approaching the PDC in the workplace, he/she can call the relevant officer and request a meeting in a discreet location away from the workplace.

5.2 ALTERNATIVE CONTACT PERSONS

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

The following table sets out where disclosures about persons other than employees of SV should be made.

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body (e.g. employee of SV)	That public body (i.e. SV for SV employees), or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

6. Roles and responsibilities

6.1 EMPLOYEES

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures. All employees of SV have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

6.2 PDC

The PDC has a central 'clearing house' role in the internal reporting system; she or he will:

- receive all disclosures forwarded from the PDC
- receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure
- impartially assess each disclosure to determine whether it is a public interest disclosure
- refer all public interest disclosures to the Ombudsman
- be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the public body by the Ombudsman
- be responsible for overseeing and coordinating an investigation where an investigator has been appointed
- appoint a Welfare Manager to support the whistleblower and to protect him/her from any reprisals
- advise the whistleblower of the progress of an investigation into the disclosed matter
- establish and manage a confidential filing system
- collate and publish statistics on disclosures made
- take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- liaise with the Chief Executive Officer (CEO) of the public body
- be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action
- make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace
- receive any disclosure made orally or in writing (from internal and external whistleblowers)
- commit to writing any disclosure made orally
- impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, a protected disclosure)
- take all necessary steps to ensure that the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential
- forward all disclosures and supporting evidence to the PDC.

6.3 INVESTIGATOR

The investigator to be appointed by the PDC will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the public body.

6.4 WELFARE MANAGER

The Welfare Manager (SV's Manager People and Culture) is responsible for looking after the general welfare of the whistleblower. The Welfare Manager will:

1. examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment
2. advise the whistleblower of the legislative and administrative protections available to him/her
3. listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
4. ensure the expectations of the whistleblower are realistic.

7. Confidentiality

SV will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring that reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure not to disclose that information, except in certain limited circumstances. Disclosure of information, in breach of section 22 of the Act, constitutes an offence that is punishable by a maximum fine of 60 penalty units* (see page 82) or six months' imprisonment, or both.

The circumstances in which a person may disclose information obtained about a protected disclosure include:

- where exercising the functions of the public body under the Act
- when making a report or recommendation under the Act
- when publishing statistics in the annual report of a public body
- in criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

SV will ensure that all files, whether paper or electronic, are kept in a secure room and can only be accessed by the PDC, the investigator or Welfare Manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

SV will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

8. Collating and publishing statistics

The PDC will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

The register will contain the following information:

1. the number and types of disclosures made to public bodies during the year
2. the number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures
3. the number and types of disclosed matters referred to the public body by the Ombudsman for investigation
4. the number and types of disclosures referred by the public body to the Ombudsman for investigation
5. the number and types of investigations taken over from the public body by the Ombudsman
6. the number of requests made to the Ombudsman to take over an investigation by the public body
7. the number and types of disclosed matters that the public body has declined to investigate
8. the number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation
9. any recommendations made by the Ombudsman that relate to the public body.

9. Receiving and assessing disclosures

9.1 HAS THE DISCLOSURE BEEN MADE IN ACCORDANCE WITH PART 2 OF THE ACT?

Where a disclosure has been received by the PDC, he/she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

9.1.1 HAS THE DISCLOSURE BEEN MADE TO THE APPROPRIATE PERSON?

For the disclosure to be responded to by SV, it must concern an employee, member or officer of SV. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed (see the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

9.1.2 DOES THE DISCLOSURE CONTAIN THE ESSENTIAL ELEMENTS OF A PROTECTED DISCLOSURE?

To be a protected disclosure, a disclosure must satisfy the following criteria:

- Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of a public body or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the PDC. The PDC will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The PDC will decide how the matter should be responded to.

9.2 IS THE DISCLOSURE A PUBLIC INTEREST DISCLOSURE?

Where the PDC has received a disclosure that has been assessed to be a protected disclosure, the PDC will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the PDC will consider whether the disclosure shows, or tends to show, that the public officer to whom the disclosure relates:

1. has engaged, is engaging or proposes to engage in improper conduct in his/her capacity as a public officer, or
2. has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

Where the PDC concludes that the disclosure amounts to a public interest disclosure, he/she will:

1. notify the person who made the disclosure of that conclusion
2. refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

Where the PDC concludes that the disclosure is not a public interest disclosure, he/she will:

1. notify the person who made the disclosure of that conclusion
2. advise that person that he/she may request the public body to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the PDC will make the notification and the referral within 14 days of the conclusion being reached by the public body. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

10. Investigations

10.1 INTRODUCTION

Where the Ombudsman refers a protected disclosure to SV for investigation, the PDC 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
- to consider the information collected and to draw conclusions objectively and impartially
- to maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure
- to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

10.2 TERMS OF REFERENCE

Before commencing an investigation, the PDC will draw up terms of reference and obtain authorisation for those terms by the CEO. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The PDC may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the PDC who, in turn, is to keep the Ombudsman informed of general progress.

10.3 INVESTIGATION PLAN

The investigator will prepare an investigation plan for approval by the PDC. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

At the commencement of the investigation, the whistleblower should be:

- notified by the investigator that he/she has been appointed to conduct the investigation
- asked to clarify any matters, and
- provide any additional material he/she might have.

The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

10.4 NATURAL JUSTICE

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure that a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

SV will have regard to the following issues in ensuring procedural fairness:

- The person who is the subject of the disclosure is entitled to know the allegations made against him/her and must be given the right to respond. (This does not mean that the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced.)
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report, and that person's defence should be fairly set out in the report.
- All relevant parties to a matter should be heard and all submissions should be considered.
- A decision should not be made until all reasonable inquiries have been made.
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated.
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process.
- The investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

10.5 CONDUCT OF THE INVESTIGATION

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his/her Welfare Manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

10.6 REFERRAL OF AN INVESTIGATION TO THE OMBUDSMAN

The PDC will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:

- the investigation is being obstructed by, for example, the non-cooperation of key witnesses, or
- the investigation has revealed conduct that may constitute a criminal offence.

10.7 REPORTING REQUIREMENTS

The PDC will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The PDC will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

11. Action taken after an investigation

11.1 INVESTIGATOR'S FINAL REPORT

At the conclusion of the investigation, the investigator will submit a written report of his/her findings to the PDC. The report will contain:

- The allegation(s):
 - an account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed
 - the conclusions reached and the basis for them
 - any recommendations arising from the conclusions.
- Where the investigator has found that the conduct disclosed by the whistleblower has occurred, recommendations made by the investigator will include:
 - the steps that need to be taken by SV to prevent the conduct from continuing or occurring in the future
 - any action that should be taken by SV to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.
- The report will be accompanied by:
 - the transcript or other record of any oral evidence taken, including tape recordings
 - all documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his/her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

11.2 ACTION TO BE TAKEN

If the PDC is satisfied that the investigation has found that the disclosed conduct has occurred, he/she will recommend to the CEO the action that must be taken to prevent the conduct from continuing or occurring in the future. The PDC may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The PDC will provide a written report to the Minister for Environment and Climate Change, the Ombudsman and the whistleblower setting out the findings of the investigation and any remedial steps taken.

Where the investigation concludes that the disclosed conduct did not occur, the PDC would report these findings to the Ombudsman and to the whistleblower.

12. Managing the welfare of the whistleblower

12.1 COMMITMENT TO PROTECTING WHISTLEBLOWERS

SV is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The PDC is responsible for ensuring that whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

The PDC will appoint a Welfare Manager to all whistleblowers who have made a protected disclosure. The Welfare Manager will:

- examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment
- advise the whistleblower of the legislative and administrative protections available to him/her
- listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure
- keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action
- ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units* (see page 82) or two years' imprisonment, or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

Detrimental action includes:

- causing injury, loss or damage
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

12.2 KEEPING THE WHISTLEBLOWER INFORMED

The PDC will ensure the whistleblower is kept informed of action taken in relation to his/her disclosure, and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation and the steps taken by SV to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by SV in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

12.3 OCCURRENCE OF DETRIMENTAL ACTION

If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the Welfare Manager will:

- record details of the incident
- advise the whistleblower of his/her rights under the Act
- advise the PDC or CEO of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the PDC will assess the report as a new disclosure under the Act. Where the PDC is satisfied that the disclosure is a public interest disclosure, he/she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

12.4 WHISTLEBLOWERS IMPLICATED IN IMPROPER CONDUCT

Where a person who makes a disclosure is implicated in misconduct, SV will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. SV acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his/her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The CEO will make the final decision on the advice of the PDC as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will be taken only after the

disclosed matter has been appropriately dealt with. In all cases where disciplinary or other action is being contemplated, the CEO must be satisfied that it has been clearly demonstrated that:

- the intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information)
- there are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances
- there are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The PDC will thoroughly document the process, including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The PDC will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

13. Management of the person against whom a disclosure has been made

SV recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures.

SV will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation and the identity of the person who is the subject of the disclosure will remain confidential.

The PDC will ensure the person who is the subject of any disclosure investigated by or on behalf of a public body is:

- informed as to the substance of the allegations
- given the opportunity to answer the allegations before a final decision is made
- informed as to the substance of any adverse comment that may be included in any report arising from the investigation
- his/her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the PDC will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

SV will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the CEO of SV will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

14. Criminal offences

SV will ensure that officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:

1. It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units* or two years' imprisonment, or both.
2. It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units* or six months' imprisonment, or both.
3. It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units* or two years' imprisonment, or both.
4. It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units* or two years' imprisonment, or both.

15. Review

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

NOTES:

***1 penalty unit = \$140.84 as at 1 July 2012 (for the 2012/2013 financial year)**

Penalty units are set in the Monetary Units Act 2004, and are used to define the amount payable for fines for many offences. The rate for penalty units is indexed annually so that it is raised in line with inflation. Any change to the value of a penalty unit will happen on 1 July each year. The latest information on penalty units can be obtained at: www.ocpc.vic.gov.au.

APPENDIX 9

SUSTAINABILITY FUND ALLOCATIONS

SUSTAINABILITY FUND ALLOCATIONS 2012–13

New Commitments made from the Sustainability Fund

Organisation	Program	Funding support \$
Sustainability Victoria	FirstRate5®	862,800
Towong Shire Council	Tallangatta Eco-education Hub	500,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORTED PROGRAMS

Overseen by the Department of Environment and Primary Industries

Funding Program: Communities for Nature grants program – Round 2

Organisation	Project	Funding support \$
Mid-Loddon Sub-Catchment Management Group	Protection and enhancement of mid-Loddon woodland ecosystems-filling in the gaps	5,576
Ashbourne Landcare Group	Upper Campapse River Riparian Zone Restoration	9,962
Wedderburn Conservation Management Network	Conserving Malleefowl at Wychitella NCR	10,000
Friends of the Box-Ironbark Forest Inc. (Mount Alexander Region)	Promoting natural regeneration through Forest Creek catchment by stopping the spread of St John's wort	4,200
Baynton Sidonia Landcare Group	Prendergasts Lane Gorse Eradication Extension Project	9,980
Sutton Grange Landcare Group Inc.	Weed Control in the headwaters of Axe Creek	9,200
Johns Hill Landcare Group Inc.	Emerald's latest bushland reserve	9,925
Australasian Native Orchid Society (Geelong Group)	Plains Grassy Woodland maintenance, Caladenia pumila propagation and restoration	9,204
Wedderburn P-12 college	Wedderburn College Indigenous Ecosystem Project	10,000
Bendigo Mountain Bike Club	Rationalisation and redevelopment of Mountain Bike Cross- Country trails in Bendigo Regional Park.	10,000
Barongarook Landcare Group	Joining Forces – Cleaning Up Barongarook Water Courses	9,944

Organisation	Project	Funding support \$
Balcombe and Moorooduc Landcare Group	Balcombe Nature Trail: Habitat enhancement along Balcombe Creek, Mt. Martha	10,000
Alvie Tree Planters	Lake Purdigulac revegetation	8,950
Mornington Railway Preservation Society Inc.	Protection of Diuris Punctata Orchid and Snow Gum Grassy Woodland, Mornington Tourist Railway, 2013	7,198
Port Fairy Consolidated School	Latham's Snipe Habitat Protection and Community Education Program	9,910
Victorian Mobile Landcare Group Inc. (VMLCG)	Parks Vic/Fintona/VMLCG Willows Programme 2013	6,132
Euroa Arboretum	Restoring wetlands at the Euroa Arboretum	10,000
Ultima Lions Club	Bird Habitat Nesting Project	6,944
Jawbone Marine Sanctuary Care Group (JMCS)	Community Protecting Jawbone Marine Sanctuary	5,794
McKenzie's Hill Action and Landcare Group	Old Diamond Hill Community Parklands – The first step	10,000
Christmas Hills Landcare Group	Nest boxes for Tuans in Christmas Hills	9,830
Turtle Bend Committee of Management	Native Hut Creek – 'Turtle Bend' Restoration	9,262
Kulkyne Way Landcare Group Inc.	The Kulkyne Way Landcare Group: Vertebrate Pest Control Action & Turtle Nest Site Protection Project	10,000
Northern Plains Conservation Management Network	Patho Plains Fox Control Program (PPFCP)	10,000
East Loddon Landcare Group	Calivil Recreation Reserve Restoration	9,980
Bullengarook Landcare Group	Nest boxes for Arboreal Native Animals at Bullengarook	9,280
Wangaratta Sustainability Network	Restoring Our Waterways Carp Muster	8,920
Friends of Flinders Coastline Inc.	Coastal Flinders Restoration Project – Mornington Peninsula National Park	6,530
Newstead Landcare Group Inc.	Riparian Protection and Restoration in the Newstead Area Stage 4	10,000

Organisation	Project	Funding support \$	Organisation	Project	Funding support \$
Manton & Stony Creeks Landcare Group	Red Hill South Landcare Biolink project	10,000	Edward Hunter Heritage Bush Reserve Committee of Management	Edward Hunter Heritage Bush Reserve Restoration Works: Rehabilitation of weed infested site, flora enhancement and learning project, stage 1	10,000
Manangatang Landcare Group	Racing after Rabbits in Manangatang	9,900			
Birchip Landcare Group	Mahoods Corner to Goulds Reserve Biolink	9,659			
Leitchville Landcare Group	Treecare	8,472	Friends of Swipers Gully	Restoration of Swipers Gully	10,000
Conservation Ecology Centre	Re-vegetating and Restoring Manna Gum Reserve	8,385	Lalbert Landcare Group	Coordinated rabbit baiting at Lalbert	9,996
Wonthaggi Seed Bank Inc.	Construction of South Dudley Wetland Stage 1	10,000	Culgoa Landcare Group	Culgoa's Bait-a-Bunny Program	9,985
Benambra Dinner Plain Omeo Landcare Group	Habitat improvement to protect sub-alpine wet heathland within the Dinner Plain village	10,000	Friends of Dandenong Valley Parklands Inc.	Habitat improvement for Powerful Owls and Growling Grass Frog	9,950
Breamlea Coastcare	Moonah Woodland Conservation Project, Breamlea	10,000	Lancefield Park Recreation Reserve	Community initiated weed removal and enhancement of Lancefield Swap Area	9,690
Barengi Gadjin Land Council	Restoring Country	10,000	Wattle Flat-Pootilla Landcare Group	Biodiversity Enhancement on the upper Yarrowee River (Phase 2)	9,675
Friends of Paddock Creek Reserve and Moorabool Catchment Landcare Group	Restoration of Native Habitat of the Paddock Creek Reserve, Gordon	6,667	Friends of Yatmerone auspiced under Advance Penshurst Incorporated	Protecting and reveging Yatmerone	6,590
Friends of Williams Road Beach	Communities consolidating retention habitat (Friends of Williams Rd Beach)	7,722	Darebin Creek Management Committee Inc.	Nesting Boxes Along Darebin Creek	3,180
Gippsland Plains Conservation Management Network	Saving the Peregrine Falcon	9,900	Indigo Environment Advisory Committee	Woodland Species Habitat Assessment, Enhancement and Protection Scoping Study	10,000
Friends of Iramoo Incorporated	Cairnlea Grasslands Community 2013-2014	9,950	Rowsley Landcare Group	New Reserve on Old Rowsley Gun Club Site	9,970
Burke Road Billabong Committee of Management Inc.	Burke Road Billabong Reserve - woodland management and rehabilitation	6,930	Friends of the Maribyrnong Valley Incorporated	Tea Gardens Boxthorn removal	9,937
Merricks Beach Foreshore Reserve Committee of Management	Weed Control and Revegetation Management Blocks 1 and 2 Merricks Beach Foreshore	6,800	Ripplebrook Landcare Group	Ripplebrook Integrated Rabbit Control	4,736
Warragul & District Landcare Group	Warragul Community Rabbit Control Program	10,000	Conservation Volunteers	Protecting the Eastern Barred Bandicoot in Hamilton	9,510
			Nature Glenelg Trust	Reducing the impact of artificial drainage on Gooseneck Swamp, Grampians National Park	10,000
			Phillip Island Nature Park	Short-tailed Shearwater habitat rehabilitation at Ventnor West	6,380
			Ross Creek Landcare Group	Revitalising Ross Creek's creekside habitats	5,200

OVERSEEN BY SUSTAINABILITY VICTORIA

Funding Program: Roadside Litter grants (Victorian Litter Strategy)

Organisation	Project	Funding support \$
Peninsula Zero Waste (Mornington Peninsula Regional Waste Management Group)	A Cleaner Mornington Peninsula is in Your Hands	21,000
City of Greater Dandenong	Roadside Litter Campaign	48,000
Wyndham City Council	Litter Busters Wyndham	45,283
Bass Coast Shire Council and South Gippsland Shire Council (joint project)	Councils unite to fight roadside litter	35,000
VicRoads	South Gippsland Highway Roadside Litter Prevention Project	28,500
Barwon Regional Waste Management Group	Litter prevention is everyone's responsibility! Building capacity for roadside litter prevention beyond councils in the Barwon region.	48,500
Central Murray Regional Waste Management Group	Sunraysia Highway and Beyond Litter Project	33,500
Waste Reduction Group (South West Regional Waste Management Group)	Secure Your Load	49,320

OVERSEEN BY SUSTAINABILITY VICTORIA

Funding Program: Smarter Resources, Smarter Business program

Capital Funding Round 1 grants

Organisation	Project	Funding support \$
Longwarry Food Park	Milk Powder Storage and Transport Optimisation	50,000
John Devilee Refrigeration	Devilee's Sustainable Manufacturing Project	25,000
Dennison Food Manufacturing	Dennison Foods Bulker Bag Unloader Units	50,000
Multicultural Aged Care Services Geelong Inc.	Energy Efficiency Upgrade at MACS	6,600
The Good Guys Maribyrnong	Good Guys Energy Efficiency Project – Maribyrnong	25,000
The Good Guys Bayswater	Good Guys Energy Efficiency Project – Bayswater	25,000
The Good Guys Narre Warren	Good Guys Energy Efficiency Project – Narre Warren	23,557
The Good Guys Bendigo	Good Guys Energy Efficiency Project – Bendigo	21,374
Blue Pyrenees Estate Winery	Blue Pyrenees Tank Insulation	23,780
Altro Engineering	Altro Energy Efficiency Project	8,930
ICS Industries	ICS Industries Energy Efficiency Project	12,640
Sparkling Beverages	Project Chiller	25,000
Bright Licensed Supermarket	Bright IGA Energy Reduction Project	25,000
Mount Martha Village Self Service	Mount Martha Energy Reduction Project	18,819
Rydyn Supermarket	Store Relighting Program	8,800
Flavourfull Hydroponics	Greenhouse Climate Control System Upgrade	14,500
Haymes Paints	Improving Heating and Cooling Efficiency	16,800

Funding Program: Smarter Resources, Smarter Business program

Funding Application Support

Organisation	Project	Funding support \$
Barfell Industries Pty Ltd	Clean Technology Investment Program and Clean Technology Food and Foundries Investment program	1,500
Rollspack Pty Ltd	Clean Technology Investment Program and Clean Technology Food and Foundries Investment program	1,500
GBP Products Pty Ltd	GBP Products Funding Application Support	1,500
Woods Furniture Pty Ltd	SRSB Woods Furniture Funding Application Support	1,500
MiTek Australia Ltd	MiTek Australia Funding Application Support SRSB	1,500
Icatron Pty Ltd	SRSB Application Form Funding Application Support	1,500
Visy Board (Wodonga) Pty Ltd	SRSB Application Form Funding Application Support	1,500

Funding Program: Smarter Resources, Smarter Business program

Assessment and Implementation

Organisation	Project	Funding support \$
Premara Pty Ltd	Premara Labels Resource Assessment	17,700
Welvic Australia Pty Ltd	Welvic Materials Assessment	18,000
Gisborne Supermarket Unit Trust	Williamson's Foodworks	4,320
EDMI Gas Pty Ltd	EDMI Materials Assessment	16,789
GBP Products Pty Ltd	GBP Products Energy Assessment	16,332
Nightingale Bros Pty Ltd	Energy Assessment	9,666
Murray Human Resources Inc.	Murray Human Services Energy Assessment	5,000

OVERSEEN BY SUSTAINABILITY VICTORIA

Funding Program: Driving Investment for New Recycling (DINR) – Round 2

Organisation	Project	Funding support \$
Action Recovery and Recycling	Action Recovery and Recycling Brooklyn Material Recovery Facility	500,000
Alex Fraser Group	Increasing the use of recycled glass in civil construction materials	54,845
Sita Australia	SITA Geelong Heales Road Resource Recovery Facility	265,000
Tyrecycle	Tyrecycle Capacity Expansion Program (TCEP)	500,000
Visy Recycling	Coolaroo MRF – C&I Waste Project	500,000
Waste Convertors	Upgrade of Waste Convertors Recycling Facility	500,000
Western Composting Technology	WCT Contaminant Removal & Product Refinement	174,600

OVERSEEN BY SUSTAINABILITY VICTORIA

Funding Program: Building Victoria's Organics Recovery

Organisation	Project	Funding support \$
Cleanaway Transpacific Industries	Mildura Weekly Organics Waste (WOW) Trial	100,000
Corangamite Shire Council	Increasing organics recovery and composting capacity at Corangamite Regional Landfill	60,000
East Gippsland Shire Council	Far East Gippsland Kitchen to Compost Organics Diversion	89,450
Southern Grampians Council	Organics recovery in the Southern Grampians Shire	51,940

OVERSEEN BY SUSTAINABILITY VICTORIA

Funding Program: Regional Waste Management Groups Support Package

Regional Waste Management Group (RWMG)	Project	Funding support \$
Barwon	Organics Processing at Alvie Landfill Colac Using GOSIP Concept	45,000
Barwon	Regional Timber Market Development Strategy	40,000
Barwon	Regional Transfer Station Strategy	40,000
Calder	Organics Management Strategy	60,000
Calder	Green Organics on Farm Management Trial	40,000
Calder	Get it Right on Bin Night Campaign	25,000
Central Murray	Kerbside Pride Organics (Organics Diversion)	30,000
Central Murray	Landfill and transfer station assessment	95,000
Desert Fringe	Transfer Station redesign	125,000
Gippsland	Regional Landfill Rehabilitation Plan (closed & soon to be closed landfills in Gippsland)	100,000
Gippsland	Regional Landfill Business Case Workshop	20,000
Gippsland	Silage wrap diversion from landfill	5,000
Goulburn Valley	Dieldrin Contamination in Compost Investigation	4,000
Goulburn Valley	Compost use in broad acre cropping regimes	4,000
Goulburn Valley	Waste Plasterboard Management Plan	3,000
Goulburn Valley	Constraint mapping in the Mitchell Shire	15,000
Goulburn Valley	Conflict management training for transfer station staff	15,000
Goulburn Valley	Certificate IV Asset maintenance (Waste Management) Delivery in the GV	9,500
Goulburn Valley	Kerbside organics trial collection for the Campaspe & Mitchell Shires	26,500

Regional Waste Management Group (RWMG)	Project	Funding support \$
Goulburn Valley	Regional Attitudinal Survey for Goulburn Valley	40,000
Goulburn Valley	Regional Kerbside advertising campaign	8,000
Grampians	2nd Hand Saturday	10,000
Grampians	CROP (Cross Regional Organics Processing) Project in Highlands and Grampians Regions	50,000
Grampians	GRASP (Glass Recycling And market development Solutions for the end Product)	15,000
Grampians	Kerbside Audit Program (KAP)	50,000
Highlands	Kerbside Community Education Program	35,685
Highlands	Greenwaste Chipper Blender	65,000
Mildura	Sharps and Medical Waste	2,500
Mildura	Education Kit Upgrade	28,000
Mildura	Kerbside Organics Trial	25,000
Mildura	Polystyrene Compactor	25,000
Mildura	Home Recycling Eco Bin	28,500
Mildura	Dog Pouches	1,000
Mildura	Food Waste Avoidance	10,000
Mildura	Kerbside Pride for Business	5,000
Mornington Peninsula	Get it Right on Bin Night (Supporting Project)	125,000
North East	360L Recycling Bin Trial	50,000
North East	NevRwaste Kerbside Recycling and MSW Bin Audit	50,000
North East	Onsite Alpine Organics	25,000
South Western	Improved Data Collection	10,000
South Western	Organics Practical Technologies and Market Development Opportunities	30,000
South Western	Waste Facility Infrastructure Investment and Services	50,000
South Western	Kerbside Pride	35,000

APPENDIX 10

INSURANCE ATTESTATION

Level 28
Urban Workshop
50 Lonsdale Street
Melbourne Victoria
3000 Australia

T +61 3 8626 8700
F +61 3 9663 1007
sustainability.vic.gov.au
ABN 62 019 854 067



Sustainability Victoria

Insurance Attestation

I, Stan Krpan, Chief Executive Officer of Sustainability Victoria, certify that Sustainability Victoria has complied with Ministerial Direction 4.5.5.1 – Insurance and:

- Sustainability Victoria will develop a Register of Indemnities in 2013-14; and
- Due to low deductibles, Sustainability Victoria does not record the value and basis for valuation of self-insured retained losses.

In compliance with Ministerial Direction 4.5.5.1 – Insurance, and as part of the annual insurance renewal process, Sustainability Victoria:

- Determines the appropriate level of insurance in consultation with the VMIA based on Sustainability Victoria's risk profile;
- Maintains a current register of all insurances; and
- Provides Claims Management information to VMIA on an annual basis.

Stan Krpan
Chief Executive Officer
Sustainability Victoria

A handwritten signature in black ink, appearing to read 'Stan Krpan', is written over the printed name and title.

Melbourne
21 August 2013

APPENDIX 11

BOARD CHAIR'S RISK ATTESTATION

Level 28
Urban Workshop
50 Lonsdale Street
Melbourne Victoria
3000 Australia

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F +61 3 9663 1007
sustainability.vic.gov.au
ABN 62 019 854 067



Sustainability Victoria

Risk Attestation

I, Gillian Sparkes, certify that Sustainability Victoria has Risk management processes consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009 Standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Audit, Risk and Finance Committee, verifies this assurance and that the risk profile of Sustainability Victoria has been critically reviewed within the last 12 months.

Sustainability Victoria is committed to the continual improvement of its Risk Management Culture and the embedding of risk management principles as a business enabler. It recognises there are still opportunities to embed risk management practices into its business as usual processes and will continue this process in 2013-14.

A handwritten signature in black ink, appearing to read 'G Sparkes', is written over a faint, larger version of the same signature.

Dr Gillian Sparkes
Chair
Sustainability Victoria

Melbourne
27 August 2013

