



Annual Report 2014–15

Delivering the
final year of SV2015

Published September 2015
By Sustainability Victoria
ABN 62 019 854 067

Level 28, Urban Workshop
50 Lonsdale Street, Melbourne
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ISSN: 1836-3563

Also available on www.sustainability.vic.gov.au

Sustainability Victoria Annual Report 2014–15
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Part 1 Foreword from the Interim Chair and CEO

2014–15 was the third and final year of delivering the *SV2015 Strategic Plan* and concludes an ambitious body of work that has transformed Sustainability Victoria (SV) from the ground up.

It has been a great year with many significant achievements for Victoria. We have balanced our focus between energy, waste and resource recovery and renewed our emphasis on climate change to align with the Victorian Government's objectives. We contributed our expertise to policy and legislative reviews across Victorian government on energy and climate change, which will continue throughout 2015–16. It is an exciting time for SV as we embrace a broader role to facilitate and promote environmental sustainability in the use of resources.

In June 2015 we released the *Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP)* outlining the infrastructure Victoria will need over the next 30 years to recover, process and re-use materials. This plan was the culmination of more than two years of evidence gathering, engaging with over 300 stakeholders whilst collaborating with our portfolio partners Department of Environment, Land, Water and Planning (DELWP), the Environment Protection Authority Victoria (EPA), the Metropolitan Waste and Resource Recovery Group (MWRRG) and the state's six regional waste and resource recovery groups.

The *SWRRIP*, a Victorian and Australian first, gives certainty to industry, local government and communities about state priorities, and creates a framework for localised, effective action. Our next steps will be to work with waste and resource recovery groups to ensure their local plans align to statewide outcomes, and then release a series of supporting initiatives that align investments to long-term infrastructure goals. Our strategy is to stimulate markets for recovered resources, improve waste education, facilitate investment, and support collaborative procurement by local government and data collection.

Our *SV2015* strategy established a solid foundation of research, evidence, engagement and planning to assist delivery and transform SV into a more agile and customer-focused organisation.

This process led to strategic planning for the next five years toward a new vision for a sustainable and thriving Victoria. The strategic plan completes our response to the 2012 audit by VAGO, restores Victoria's leadership in this important aspect of sustainability and provides a strong foundation upon which to broaden our work to climate change issues.

This year we invested \$6.2 million in new funding contracts for waste and resource recovery infrastructure. Forty-seven projects will provide an additional 164,000 tonnes of resource recovery capacity when completed, and significant environmental improvements have been achieved through the closure of five regional and rural landfills.

We significantly improved resource efficiency in businesses, households and schools, and doubled the reach of our Smarter Resources Smarter Business program that helped an extra 500 businesses to be more energy and materials efficient.

The Love Food Hate Waste campaign helped households reduce food waste going to landfill and the subsequent release of greenhouse gases. The ResourceSmart Schools program continued to embed sustainability into curriculums and school operations, leading to considerable financial savings for the participating schools. This year we exceeded the initial target for new schools entering the program, with over 170 new schools joining, which means nearly half of all Victoria's schools are now part of the program.

During 2014–15 we farewelled Lydia Wilson, SV's Chair from July 2014, who resigned from the Board in April 2015. Lydia led SV through a period of transition with the change of government in November 2014 and oversaw the development of a new strategic plan. Lydia was a great supporter of SV and we thank her for her leadership and commitment. We also farewelled SV board member and Chairman of EPA, Cheryl Batagol, after many years of service to the organisation and its predecessor. During 2014–15 we also farewelled Ron Lovett and Tony Hinton. We also welcomed new board members Arron Wood, Kane Thornton, Daniel Fyfe and Megan Flynn.

We're proud of all that Sustainability Victoria has achieved in this final year of delivering the *SV2015* strategy. Our new five-year strategy will help businesses and communities respond to climate change, and provide practical guidance and support to businesses, households and schools to better manage energy, materials and waste for a sustainable and thriving Victoria.



Ross McCann
Interim Chair



Stan Krpan
Chief Executive Officer

Part 2 About Sustainability Victoria

Our vision

Sustainability Victoria is a Victorian Government statutory authority established under the *Sustainability Victoria Act 2005* (Vic).

Our *SV2015* vision was to maximise our resources to support a liveable and prosperous state. In *SV2020*, a five-year strategy, we are adopting a broader vision to achieve a sustainable, thriving Victoria.

The responsible Ministers during the 2014–15 reporting period were:

- › the Hon. Ryan Smith MP, Minister for Environment and Climate Change for the period from 1 July 2014 to 3 December 2014;
- › the Hon. Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 4 December 2014 to 30 June 2015.

Sustainability Victoria helps households, businesses and the broader community to adopt more sustainable practices to ensure a healthy environment, community and economy, now and for the future. We do this through practical programs, investment and support that increase resource productivity, and manage waste and resource recovery in an integrated way.

Objectives, functions, powers and duties

Our objectives are to facilitate and promote environmental sustainability in resources use.

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

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

Planning responsibilities relating to the Statewide Waste and Resource Recovery Infrastructure Plan are outlined in the *Environment Protection Act 1970*, Sections 50AA to 50AH, Part IX, Division 2AC.

Our purpose

Sustainability Victoria is dedicated to our state's sustainable and thriving future by improving the way Victorians manage their resources and helping the Victorian community respond to climate change.

To reduce waste and increase resource recovery, we collaborate closely with our partners, including the Department of Environment, Land, Water and Planning (DELWP), the Environment Protection Authority Victoria (EPA), the Metropolitan Waste and Resource Recovery Group (MWRRG) and the state's six regional waste and resource recovery groups. As much of our work is about encouraging energy efficiency and resource productivity, we also work closely with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

Our strategic plan, SV2015

This annual report looks at the final year of our three-year strategy, *SV2015*. It outlines what we have done this year to achieve our strategic priorities, reporting specifically against the outcomes and measures of success shown in our 2014–15 business plan.

Through *SV2015*, we sought to make a practical contribution to a liveable and prosperous Victoria by helping businesses, households and schools use resources more efficiently, and to view waste as a resource by developing markets for waste products and materials. The final year of the strategy, the 2014–15 financial year, was focused on delivering outcomes, supported by strong governance, a solid evidence base, statewide engagement and well-honed leadership capabilities.

Our renewed focus on waste and resource recovery culminated in the release of the SWRRIP. This work fulfils our legislated role in leading statewide planning and was an important milestone in delivering the *SV2015* strategic plan.

We also focused on the importance of resource efficiency, helping businesses use less materials and energy, while increasing productivity, and helped households waste less food and energy while reducing household costs.

Four key capabilities underpinned our work – statewide engagement, evidence-based investments and outcomes, people and leadership, and governance and coordination. This allowed for a strong connection between our own work and tangible outcomes for Victorians.

Table 1 shows the outcomes we committed to in *SV2015*, and the 2014–15 priorities and initiatives that contributed to those outcomes. See Part 4 of this report for the assessment of our performance in delivering these priorities and initiatives.

TABLE 1: SUMMARY OF SUSTAINABILITY VICTORIA OUTCOMES AND INITIATIVES IN 2014–15*

Sustainability Victoria's priorities	Outcome	Sustainability Victoria's 2014–15 programs	Reach
Helping Victorians use energy and materials more efficiently.	Increased energy efficiency of households and commercial office buildings engaged in our programs.	First Rate 5 Smarter Households (Smarter Choice, Smarter Renovations and Whitegoods rebate) Commercial Offices Building Calculating Cool	Retailers to households Direct to households Mid-tier office building owners
	Increased energy and materials efficiency of small to medium-sized businesses and schools engaged in our programs.	Smarter Resources Smarter Business ResourceSmart Schools Program	Small to mid-sized businesses Schools and early childhood centres
Helping Victorians avoid waste.	Increased awareness and uptake of waste-reduction practices in targeted sectors.	Get it Right on Bin Night Love Food Hate Waste (Household Food Waste Avoidance) Smarter Business, Smarter Resources – Beyond Waste	Small to mid-sized businesses Local government authorities to households
Ensuring Victoria has integrated, statewide waste management.	Planning and coordinating the implementation of integrated, statewide waste management.	Australian Packaging Covenant Baseline Waste Data SWRRIP Victorian Community and Business Waste Education Strategy Waste and Resource Recovery Investment Strategy Waste and Resource Recovery Procurement Support Waste Data Collection and Governance	Local government authorities and waste and resource recovery industry Local government authorities to households

Sustainability Victoria's priorities	Outcome	Sustainability Victoria's 2014–15 programs	Reach
Ensuring Victoria has better infrastructure to manage waste and recover resources.	Increased standard and capacity of existing infrastructure and the development of new infrastructure.	Building Victoria's Organic Recovery Community Sustainability Infrastructure Fund* Driving Investment for New Recycling Kerbside Food/Garden Organics Recovery Landfill Liners Improvement Program Processing Industrial Organics Recycled Organics Product Effectiveness (field trials) Regional Victoria Landfill Support Program Regional Victoria Transfer Station Upgrades Resource Recovery Infrastructure	Local government authorities
Supporting the recovery of priority products and materials.	Increased recovery of priority products and materials that contribute weight, that pose an environmental risk and/or are a valuable resource.	Detox your Home (Household chemical and targeted products collection services) Batteryback Paint Stewardship Scheme (Product Stewardship)	Households, with support from regional waste and resource recovery groups and local government authorities
Supporting markets to use priority waste materials in recycled products.	An evidence base and support for industry to overcome both supply and demand barriers for propriety waste materials to be used in recycled products.	Market Development Strategy for Recovered Resources Timber Recycling Fund Tyres Intervention Program Victorian Organics Resource Recovery Strategy Organics Recycling Industry Development (Market Industry Development Officer, Compost Victoria)	Waste and resource recovery industry
Supporting local government, land managers and the community to prevent litter	Local governments, land managers and community groups are better equipped to prevent litter.	Litter Grants and Strategic Projects Victorian Litter Action Alliance Resources and Network Coordination Keep Australia Beautiful Victoria Programs – including Sustainable Cities and Tidy Towns Awards, Stationeers and Adopt a Roadside Public Place Recycling Grants	Local government authorities, land managers, rail and road operators Community groups and volunteers

* New program put in place in 2014–15. All others as listed in the 2014–15 business plan with some name changes.

To deliver *SV2015* successfully we needed to become an efficient and evidence-based organisation, with strong governance and focus on stakeholders statewide. Our performance in these four capabilities is outlined in Part 4:

- › statewide engagement
- › evidence-based investment and outcomes
- › people and leadership
- › governance and coordination.

In 2014–15, we prepared to transition our administration of the Sustainability Fund to DELWP (see Part 4.)

Our stakeholders

In *SV2015* we committed to improving access to our programs and services. This included better engagement with regional and metropolitan stakeholders to improve our programs and services delivery and make sure statewide outcomes were tailored to local needs.

Our board, executive and staff recognise, appreciate and thank our partners and stakeholders for their involvement.

The stakeholder groups we worked with include:

- › government departments and agencies, both state and Commonwealth
- › local governments and the metropolitan and regional waste and resource recovery groups
- › peak business and industry councils and associations
- › the commercial building sector
- › the construction and demolition sector
- › the waste management and resource recovery industry
- › end-users of recycled products
- › primary and secondary schools and early childhood centres
- › retailers and service providers.

In 2014–15, we continued to improve the service to our customers to achieve better, local results across the state (see Part 4 for our performance measures in working with our stakeholders).

Part 3 Our performance

Sustainability Victoria's headline indicators and targets for 2014–15

This section reports on our organisational performance for 2014–15, describing the results of our programs and their contribution. To help us assess and report on our performance in 2014–15 we have monitored headline indicators and key deliverables in these areas:

1. Helping Victorians use energy and materials more efficiently.
2. Helping Victorians avoid waste.
3. Ensuring Victoria has integrated, statewide waste management.
4. Ensuring Victoria has better infrastructure to manage waste and recover resources.
5. Supporting the recovery of priority products and materials.
6. Supporting markets to use priority waste materials in recycled products.
7. Supporting local government, land managers and the community to prevent litter.

Our key deliverables follow a three-part delivery model:

1. Managing our business
2. Working with partners and stakeholders
3. Outcomes for Victoria.

1. Managing our business

- › We maintained our organisational spending to within +/- 5 per cent of budget. We achieved a variance of - 4.25 per cent to budget.
- › We improved our organisational capabilities to deliver *SV2015*.
- › We progressed our actual organisational culture towards our desired culture.
- › We improved our project management practices.

2. Working with partners and stakeholders

- › In 2014–15 we invested an additional \$6.2 million in waste resource recovery infrastructure development, achieving a total investment of \$12.6 million since the start of *SV2015*.
- › We recruited 190 additional schools to participate in the ResourceSmart Schools program, totalling 1,147 schools by July 2015.
- › We supported 500 businesses to improve energy and materials use, totalling 1,000 businesses since the start of *SV2015*.
- › We informed an additional 295,000 households on energy efficiency, totalling 540,000 households since the start of *SV2015*: this is 24 per cent of Victorian households.
- › We commissioned an additional 18 Detox Your Home permanent Victorian drop-off sites for paint, batteries and compact fluorescent lights, bringing the total to 30.
- › We improved stakeholder perceptions of our performance, particularly in our accessibility and communications.
- › We administered the Sustainability Fund and transferred responsibility to the Department of Environment, Land, Water and Planning (DELWP).

3. Outcomes for Victoria

- › We increased waste recovery processing capacity by commissioning 120,000 tonnes of additional processing capacity during 2014–15, taking total capacity to 210,000 tonnes since the start of *SV2015*.
- › We saved an additional 51,000 gigajoules of energy for business and 280,000 gigajoules for households, equating to \$1.86 million for business and \$10.8 million for households in 2014–15.

Our programs

1 Helping Victorians use energy and materials more efficiently

Households and commercial office buildings

Households are facing increasing energy costs and seek credible advice on how best to save energy. People's actions and the products they use in their home make a significant difference to their cost of living and their living comfort. In 2014–15, our Smarter Households offering included Smarter Choice, Smarter Renovations, seasonal campaigns and technical on-ground research to understand the actual performance of energy-efficiency improvements.

Operating since 2007, the Smarter Choice retail program works in partnership with appliance, hardware, lighting and home-entertainment retailers to encourage householders to purchase energy and water efficient products. We also continued to help those retrofitting or renovating homes, through our Smarter Renovations program, which informed and advised on how to make homes as energy efficient as possible.

This year we also began working with mid-tier commercial office buildings, offering advice and assistance to improve their energy efficiency.

In 2014–15 we committed to:

- › Enabling targeted households to make informed decisions that save energy in the home when renovating.
- › Encouraging targeted households to invest in energy-efficient appliances.
- › Enabling targeted mid-tier commercial building owners to tune their buildings to improve energy efficiency in 40 of their properties, helping them save an additional 15,000 gigajoules of energy amounting to annual savings of \$0.7 million.

SV2015 outcome	Indicator	Results for 2014–15
Increased energy efficiency of households and commercial office buildings engaged in our programs.	Reduction in energy use (in gigajoules) by households and commercial office building owners engaged in our programs.	<p>We estimate that we have reached 295,000 households with information on appliance efficiency and influenced 240,000 to make a more efficient choice. This has helped households save 280,000 gigajoules of energy, amounting to \$10.8 million savings to households.</p> <p>We informed 26,000 targeted households on how best to retrofit or renovate their homes.</p> <p>We engaged 24 commercial office buildings in our program. Although this is less than our commitment, by industry standards this is a strong result.</p>

2014–15 operational highlights

This year Sustainability Victoria reached 295,000 householders through our targeted programs. Over the three years of our *SV2015* strategy we have reached a total of 540,000 Victorians or 24 per cent of Victoria households.

In 2014–15 we believe our programs influenced over 240,000 households to become more energy efficient. Our modelling further estimates that this influence may have saved Victorian households over 280,000 gigajoules of energy. This equates to \$10.8 million in savings in 2014–15.

Smarter Choice has over 500 participating stores, and all major retailers are involved. This year, Masters began providing in-store information throughout their Victorian stores. In November 2014 we launched the Smarter Choice Calculator app, profiled on commercial television. This updated, running-cost calculator, downloadable on mobile devices, allows householders and retail staff to compare the running costs of different appliances for more informed purchases.

We also worked closely with the New South Wales' (NSW) Office of Environment and Heritage, and with retail partners to develop new online training for sales staff in the Smarter Choice program. In 2014–15 this work evolved into a joint initiative with the Commonwealth Department of Industry, a significant step towards a national program.

The Smarter Renovations program was formally launched at the Build and Renovate Expo in July 2014. The launch included the release of a renovation planning tool to support households take an energy-efficient approach to their renovations. The reach of the Smarter Renovations web content was over 26,000. Our facebook page launched in August 2014 at the Herald Sun Home Show generated strong interest from Victorians. We also partnered with *Green Magazine* to increase the reach of our program.

In 2014–15 as part of the Commercial Offices program we contracted 24 mid-tier offices to undertake comprehensive energy efficiency analyses, tuning and monitoring. Tuning works for the first of these buildings has begun, and full results will be available in 2015–16 after contracts are completed. Our engagement with the mid-tier commercial building sector, together with research from Monash University's BehaviourWorks Australia, has highlighted how valuable energy efficiency information is to facility managers in similar-sized buildings.

We tested our emerging knowledge at an industry workshop, and were commended for our work by industry partners, the City of Melbourne, the federal Department of Business and Industry, and the Green Building Council of Australia. A public report on the forum will be published by the Green Building Council and the Department of Industry in 2015–16. While we expect this work with commercial buildings to save 15,000 gigajoules of energy and \$0.7 million per year, project delays mean that these energy savings will not be realised until the 2015–16 financial year.

In September 2014 our Smarter Choice program won the Outstanding Achievement Award in the government category at the MoneySmart Week Awards. This recognises the contribution of the program's point-of-sale material and retail staff training in improving customers' financial literacy. The \$2,500 for the award was donated to Good Shepherd, who used the funds to hold two information events (Bring your Bills day) to help people manage their finances.

Business and schools

This was the third year of the Smarter Resources Smarter Business program, during which we successfully reached our target of 1,000 businesses. This program has helped small to medium-sized businesses reduce costs by making business decisions based on resource productivity, and improving energy and materials efficiency. We will continue to offer a similar service for businesses in 2015–16, focusing on resource assessments.

With our partners we continued to deliver our ResourceSmart Schools program across the state, helping schools embed sustainability into everything they do.

In 2014–15 we committed to:

- Reducing energy and materials consumption in an additional 500 businesses across Victoria that participate in Smarter Resources Smarter Business – Energy and Materials.
- Reducing by an average of 10 per cent the energy consumption (per student) of schools that have undertaken the ResourceSmart Schools Energy module.
- Promoting energy efficiency in schools through ResourceSmart Schools.

SV2015 outcome	Indicator	Results for 2014–15
Increased energy and materials efficiency of small to medium-sized businesses and schools engaged in our programs.	Reduction in energy (in gigajoules) and materials use and associated savings (in dollars) through energy and materials efficiency in small to medium-sized businesses and schools engaged in our programs.	<ul style="list-style-type: none"> › Reduced energy and materials consumption in over 500 businesses across Victoria participating in Smarter Resources Smarter Business – Energy and Materials, and achieved our target of 1,000 businesses over the SV2015 strategy period. › An average of 10 per cent reduction in the energy consumption (per student) of schools that undertook the ResourceSmart Schools energy module. › Energy-efficiency promotion reached our target of 400 new schools over the four years of ResourceSmart Schools. In 2014–15, 190 schools commenced the energy module.

2014–15 operational highlights

In 2014–15 we continued delivery of the Smarter Resources Smarter Business program, which supports small and medium-sized businesses. This year, we reached an additional 500 businesses, which more than doubled the total number of businesses we have worked with since the beginning of the SV2015 strategy. An independent economic evaluation by Marsden and Jacobs concluded that the program has been very successful, with a conservative cost benefit ratio of 2.6.

In 2014–15 we were able to highlight the significant benefits of materials efficiency through publication of program results, case studies, a video, and an industry materials efficiency forum we ran in May 2015. Sustainability Victoria has assumed a leadership position in the field of materials efficiency and will continue to drive its development in Victoria, highlighting the significant benefits to industry and the environment.

In 2014–15, Victorian businesses participating in the Smarter Resources, Smarter Business program saved:

- › 48,675 gigajoules of energy
- › 12,859 tonnes of greenhouse gas emissions
- › over \$2.5 million in material (\$1.5 million) and energy (\$1.0 million) costs through efficiency measures.

In 2014–15 our web portal for schools, ResourceSmart Schools Online, went live. Schools are now able to track their progress and their savings, and apply for certification using the new online system. It also provides ready access to more than 2,500 documents from participating schools, where teachers share curriculum resources, stories and photos. Our pilot program with early childhood centres has helped nine early childhood services trial the ResourceSmart program and found a strong interest in the initiative.

In 2014–15, 302 schools commenced the ResourceSmart Schools core module and began to track their bills and consumption. Of those 302 schools:

- › 190 schools commenced the energy module
- › 33 existing school participants completed the energy module and reduced their energy consumption by an average of 10 per cent.

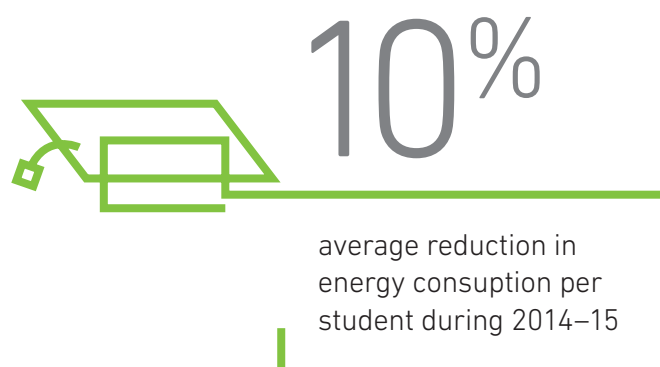
Victorian schools participating in the ResourceSmart Schools program saved:

- › 1,935,772 kilowatt hours of electricity
- › 24,010 gigajoules of gas
- › 18,665 tonnes of waste to landfill
- › 146,286 kilolitres of water.

As well as the 33 schools completing energy modules, 20 completed waste modules, 22 completed water modules and 24 completed biodiversity modules. In 2014–15, 130 schools were accredited under the school star rating system:

- › 88 as 1-Star
- › 15 as 2-Star
- › 13 as 3-Star
- › 7 as 4-Star
- › 7 as 5-Star.

Independent research by Monash University found that the program was effective, and helped schools to improve their sustainability activities across a number of areas including campus improvement, curriculum development, culture change and community building.



2 Helping Victorians avoid waste

The economic and environmental benefits of waste reduction are significant. These benefits involve more than the costs associated with disposal. Storage and handling of waste materials, as well as the use of materials in goods and services, contribute to an overall social, environmental and economic cost. This year, we assisted businesses and households to implement waste reduction activities that provide economic and environmental benefits.

In 2014–15 we committed to:

- › Engaging with Victorian businesses through our Beyond Waste and Smarter Resources Smarter Business programs to:
 - raise their awareness of waste reduction and materials-efficiency opportunities relating to their business
 - help implement those waste reduction practices
 - partner with us to share their learnings more broadly across business sectors.
- › Increasing the awareness of targeted households about the volume and value of their food waste through the Love Food Hate Waste program.
- › Consolidating the lessons learnt from the delivery of past waste minimisation programs including those delivered by Sustainability Victoria, and by other national and international organisations.

SV2015 outcome	Indicator	Results for 2014–15
Increased awareness and uptake of waste reduction practices in targeted sectors.	25 per cent of businesses engaged in our waste reduction programs are undertaking at least one waste reduction activity.	<ul style="list-style-type: none"> › Over 500 businesses engaged in our Beyond Waste program and Smarter Resources Smarter Business program, with 88 per cent of businesses that conducted resource assessments implementing at least one action. Businesses have also partnered with us to share their learnings more broadly across business sectors. › 100,000 households were targeted with information about the volume and value of their food waste through the Love Food Hate Waste program. › Our review of waste minimisation programs has been drafted but is not yet ready for release.

2014–15 operational highlights

In 2014–15 we worked with Victorian businesses to raise their awareness of waste reduction and materials-efficiency opportunities by conducting resource assessments, supporting master classes, case studies, workshops and other information activities. As a result, businesses that took part in the program are now saving an additional \$1.5 million through better use of materials and waste avoidance. Twenty-one case studies, along with top-tips for businesses and sector-specific guides were published. A Materials Efficiency Forum was held in May 2015 to share the experiences and learning outcomes from the program with industry associations, government partners and service providers.

The first phase of the Love Food Hate Waste campaign was launched in September 2014. The campaign reached over 100,000 people in the target audience via facebook. An independent evaluation from Colmar Brunton found the campaign had an 18 per cent recall among the target audience, and that people who saw the campaign were more aware of the issue of food waste and were more likely to take action to reduce it. Following further market research, our plan to work with a major retailer has been reassessed and we are now working directly with local governments.

In 2014–15 we also consolidated what had been learned from past waste minimisation programs. This report is at draft stage and will be finalised pending final results of the Beyond Waste and Smarter Resources, Smarter Business, programs in 2015–16.



Showcase 1:

Materials Efficiency Forum

Sustainability Victoria hosted a Materials Efficiency Forum in Melbourne in May 2015. Over 80 participants from Victoria and interstate discussed the materials-efficiency learning outcomes from the Smarter Resources Smarter Business program, and the most effective ways to share this knowledge with Victorian businesses. The case for materials efficiency from business is clear, and has strong financial benefits. A video on materials efficiency was also launched at the forum (Figure 1).

A post-forum survey showed that participants were enthusiastic about the opportunities for materials efficiency, and keen to learn more and promote opportunities within their network.

FIGURE 1: MATERIALS EFFICIENCY VIDEO INTRODUCTION.



"I have spoken to businesses quite a bit about energy efficiency but not material efficiency, so I now have more confidence to raise and explore that issue."

– Darren Charman, Business Development Manager | Gippsland

Business Engagement, Regional Development Victoria, Department of Economic Development, Jobs, Transport and Resources.

Showcase 2:

Love Food Hate Waste

Every year in Victoria, 250,000 tonnes of 'avoidable' food waste is sent to landfill from our homes – food that was purchased with the intention of being eaten but was instead discarded. This is enough waste to fill the Eureka Tower. Food waste disposed of in landfill costs households up to \$2,200 per year, and has the potential to release up to 400,000 tonnes of greenhouse gas per year, substantially contributing to climate change.

Love Food Hate Waste is an international campaign that focuses on reducing avoidable food waste, and Sustainability Victoria is implementing the campaign under license from Waste and Resources Action Program United Kingdom (WRAP UK). Our campaign is focused on raising awareness of the amount of avoidable food waste sent to landfill, and what can be done about it.

A pilot campaign was launched in September 2014 featuring a new facebook page, a Love Food Hate Waste website, and a public relations campaign to increase awareness and provide people with practical steps they can take to avoid food waste. The campaign features videos and infographics, and is supported by behavioural research into food waste in Victorian households.

The campaign also focuses on promoting the Love Food Hate Waste message at public events. This included sponsorship of a New Joneses event at the Sustainable Living Festival in Melbourne's City Square, which focused on households using resources more wisely and doing more with less. The event reached over 2,000 visitors on-site and over 700,000 people through media, including prime time coverage on commercial television that featured the Love Food Hate Waste logo and messages. We also supported live, food-waste-themed cooking demonstrations at the Melbourne Good Food and Wine Show, extending the reach of the campaign and the food waste avoidance message.

The Love Food Hate Waste campaign gained over 5,000 followers in the pilot period and reached over 100,000 people in the target audience via facebook with 3,500 engagements in three months. The campaign also led to over 10 separate media articles focused on food waste avoidance. Post-campaign evaluation showed that it had been seen by 18 per cent of the audience surveyed, and those who had seen the campaign were more likely to implement strategies to reduce food waste at home.

During the second half of 2014–15 we worked on developing close ties with Victorian local governments that are also focused on avoiding food waste. Expressions of interest to implement Love Food Hate Waste local campaign activities were sought from local governments, and over 40 responses were received. Since then, 12 local governments and three waste and resource recovery groups in metropolitan Melbourne and regional Victoria have implemented the campaign locally, through events including cooking demonstrations, workshops, information stands, presentations and food waste avoidance displays.

Sustainability Victoria is now focused on centrally-delivered events, public relations and social media, while supporting local governments to deliver local food waste avoidance programs that create a deeper understanding of the issue.



3 Ensuring Victoria has integrated, statewide waste management

Planning for waste and recycling is an essential service to the community. For the first time, Victoria now has a long-term plan to guide the development and management of its waste and resource recovery infrastructure needs. The Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP) provides a roadmap for a safe, integrated, statewide waste and resource recovery system for the next 30 years. The waste and resource recovery sector is significant for Victoria, with an annual turnover of \$2.2 billion and, more than 8,000 employees.

A crucial role of the SWRRIP is to ensure industry and other areas of government have access to reliable, timely and relevant data on waste. We have led the development of a data management governance framework that will improve consistency and accuracy of data, ensure it is collected in a timely manner, and is accessible.

In 2014–15 we committed to:

- Planning for, and commencing, the implementation of our responsibilities under Victoria's waste and resource recovery policy including:
 - completing the SWRRIP for the Minister's consideration
 - commencing the development and implementation of a data governance framework by August 2015 to improve consistency, accuracy and timelines of waste data collected
 - leading the development of a statewide community and business education strategy, and coordinating its implementation
 - developing guidelines, tools and best practice models to support waste and resource recovery groups in their obligations to facilitate joint procurement of waste services and infrastructure between local governments
 - developing a new investment attraction function to support private sector investment to the waste and resource recovery sector.
- Ensuring the data we collect, analyse and manage is accessible, and is used to track progress, and inform our decisions and our stakeholders about waste and resource recovery.

SV2015 outcome	Indicator	Results for 2014–15
We are preparing, planning and coordinating the implementation of integrated, statewide waste management.	The SWRRIP is submitted by February 2015 and we are facilitating its implementation.	<ul style="list-style-type: none"> ➤ We submitted the SWRRIP in February 2015 and are currently developing: <ul style="list-style-type: none"> – a data governance framework – a draft of the Victorian Community and Business Waste Education Strategy for community consultation – guidelines, tools and best-practice contract models for collaborative procurement of waste and resource recovery services and infrastructure between local governments – a new investment attraction function.

2014–15 operational highlights

In 2014–15, we planned for the implementation of our responsibilities under Victoria's waste and resource recovery policy. As required under legislation, a draft SWRRIP was submitted to the minister by 1 February and was gazetted in June 2015. This document gives Victoria a clear, long-term plan for a safe, integrated statewide system of waste and resource recovery. It recognises waste as an essential service for Victorians and seeks to increase the recovery of resources. It is a landmark Australian plan that provides for waste and resource recovery needs over a 30-year timeframe. Implementation of the SWRRIP has begun through support for Victoria's regional waste and resource recovery groups as they develop regional plans for its implementation.

To provide potential investors with information that will attract the private sector investment needed to support the realisation of the SWRRIP we have established a specialised facilitation service, aligned across government. A prospectus, case studies and investment fact sheets will be released in early 2015–16, and the program will be launched in 2015–16.

A key initiative to realise the SWRRIP is the Victorian Community and Business Waste Education Strategy. In 2014–15 we worked with our delivery partners, the newly formed waste and resource recovery groups and over 150 stakeholders that deliver waste education programs and activities, to inform the content of the draft strategy. These stakeholders included representatives from the waste industry, local government, other state government agencies, consultancies,

community groups, the education sector, and academics in behaviour and practice change. Consultation included face-to-face workshops, interviews and online forums. The draft Victorian Community and Business Waste Education Strategy is due to be released in early 2015–16 for public consultation, where we will be seeking feedback on the strategy's directions and actions.

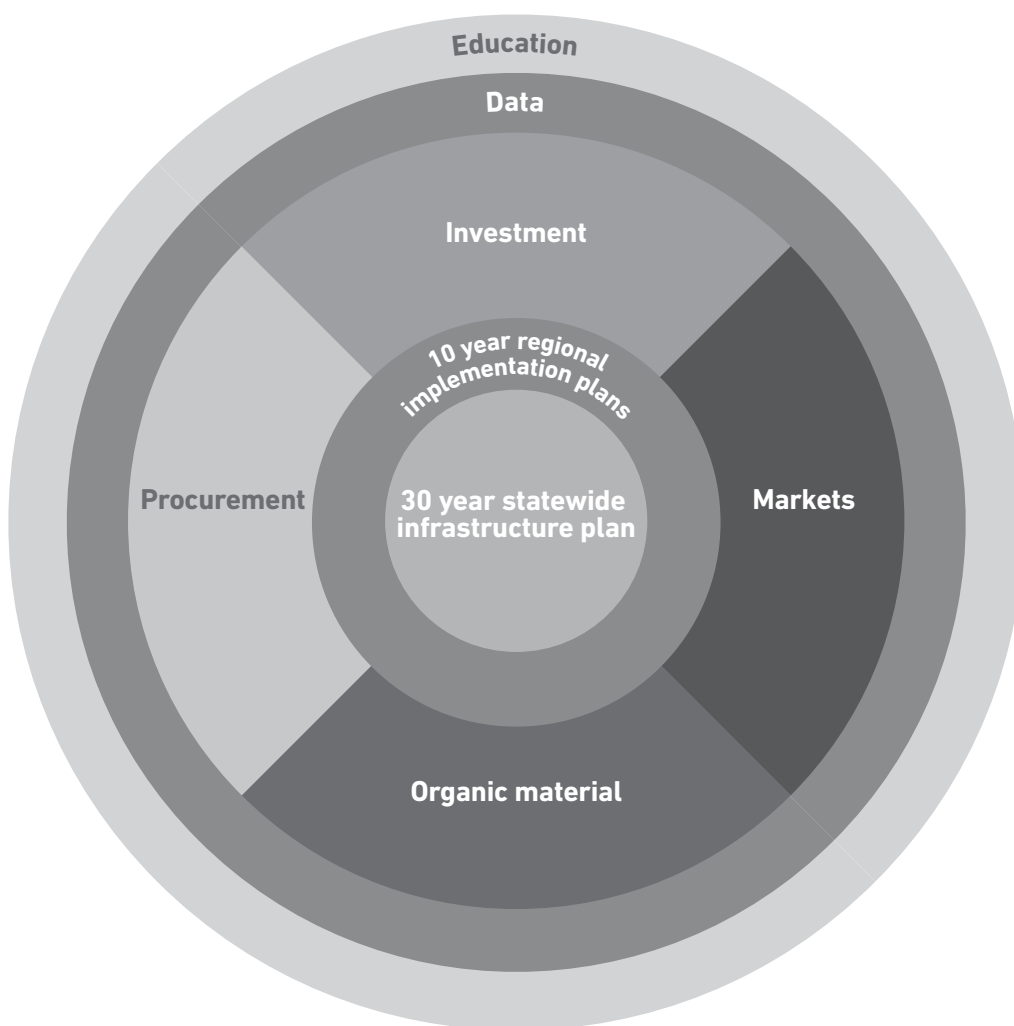
We have made considerable progress over the past year developing guidelines, tools and best-practice contract models to support waste and resource recovery groups working with local government in procurement of services and infrastructure. As a result, guidelines that incorporate best-practice procurement, and a suite of templates to assist waste and resource recovery groups in meeting their statutory obligations will be available in 2015–16.

In 2014–15 we continued our focus on collecting, analysing and managing our waste data, and, particularly, on making it accessible to others, using it to track our progress and inform our decisions. In 2014–15 we began development of a number of applications to enable central storage of our data. This will allow staff from Sustainability Victoria and the environment portfolio to access standard and bespoke reports from the full range of time-series data available. Once this system is in place, non-confidential data will be made available to the public in an open-access format, on a range of platforms, including that offered by DataVic, a website providing open access to Victorian Government data.

We commenced the development of a data governance framework and Memorandum of Understanding to improve the consistency, accuracy and timeliness of waste data collected, and provide a governance model and implementation plan for improving shared waste datasets. The Memorandum of Understanding will establish a commitment by each party of the environment portfolio to share agreed, key waste datasets on an open-access basis.

The SWRRIP is central to these developments, and will enable Victoria to achieve a first-class integrated waste and resource recovery system (Figure 2).

FIGURE 2: IMPLEMENTATION OF THE SWRRIP



4 Ensuring Victoria has better infrastructure to manage waste and recover resources

In 2014–15 we completed three important funding programs that have made significant improvements to Victoria's solid waste and resource recovery infrastructure. The Driving Investment for New Recycling program, our Regional Victoria Transfer Station Upgrades, and the Regional Victoria Landfill Support programs for local governments are aligned to the four goals of SWRRIP. These programs explored the best ways to work with our stakeholders to meet the needs of resource recovery and landfill (waste disposal) services across the state.

Driving Investment for New Recycling is part of a shift towards an integrated 'hubs and spokes' infrastructure network for the waste and recycling industry. In this model, major facilities (or hubs)

process significant quantities of waste and provide specialised processing for smaller quantities. Collecting, sorting and transporting waste from the 'spokes' to existing, upgraded and new hubs helps consolidate waste volumes. This means the resource recovery sector has access to a reliable supply of quality materials.

In 2014–15 we committed to:

- Undertaking projects and trials in regional Victoria to demonstrate cost-effective organic waste solutions, and encourage the diversion and recovery of organic resources from landfill.
- Supporting local government to improve environmental performance of landfills through collaboration with EPA Victoria.
- Encouraging further private sector investment to improve the standard and capacity of new, and existing, waste and resource recovery infrastructure.

SV2015 outcome	Indicator	Results for 2014–15
Increased standard and capacity of existing infrastructure and the development of new infrastructure.	Increase in the consolidation and processing capacity to recover valuable material.	<ul style="list-style-type: none"> ➤ Four new organic collection services introduced in rural and regional Victoria to divert 9,000 tonnes of organic material from landfill. ➤ Seven local governments supported to build new transfer stations to replace landfills closing in rural and regional Victoria (in collaboration with EPA). ➤ Coordinated management of existing and prospective investors to encourage further private sector investment in new and improved waste and resource recovery infrastructure.

2014–15 operational highlights

This year we administered the final round of the Driving Investment for New Recycling fund. In total, the fund resulted in an additional 210,000 tonnes of processing capacity and 14 new or upgraded facilities for commercial and industrial waste.

We continued our trials in regional Victoria to demonstrate cost-effective organic waste solutions, and encourage the diversion and recovery of organic resources from landfill. Funding from our programs has led to the introduction of three new kerbside food and garden organic waste collection services, and service upgrades across regional and rural Victoria. As a result, around 9,000 tonnes of organic material will be diverted from landfill on an annual basis. We continued our support to a further eight local governments to introduce kerbside organic waste recovery services through the Building Victorian's Organics Recovery program and the Kerbside Food Organics Garden Organics program.

During 2014–15 we held workshops with over 40 companies to outline the business case for organic recovery. Proceedings from these workshops are now available online.

In 2014–15, in collaboration with EPA Victoria, Sustainability Victoria supported local government to improve the environmental performance of landfills. This was achieved through a \$3.95-million fund aimed at supporting landfill closures and establishment of new transfer stations with resource recovery facilities. So far, the fund has provided support for the closure of two landfills, with the closure of a further five planned. Following a comprehensive survey of rural and regional councils across the state, an additional \$2.9 million was allocated to support the upgrade of 30 transfer stations/resource recovery centres in 22 municipalities (see Showcase 3).

This year, a new area for our sustainability activities emerged through the Investment Facilitation Service. This service enables us to provide the support the industry needs to encourage further private sector investment to improving the standard and capacity of new, and existing, waste and resource recovery infrastructure.

We released the Community Sustainability Infrastructure Fund providing \$2.8 million to Victorian community groups, local government and businesses for improved resource recovery, resource and energy efficiency outcomes and environmental improvements. The 32 projects will deliver a range of benefits including approximately 1 megawatt of renewable energy generation capacity, 5,000 tonnes per annum of e-waste resource recovery capacity and 5,000 tonnes per annum of food waste recovery capacity. The Community Sustainability Infrastructure Fund delivers on the Priority Statement of the Victorian Government Sustainability Fund, supporting local governments and innovators in the waste management and recycling industry, and assisting the community to use our resources efficiently.

Showcase 3:

Improving Victoria's landfills and transfer stations

2014–15 was the third year for allocation of \$9.75 million across regional and rural Victoria to develop and improve local government resource recovery centres/transfer stations and rural landfill infrastructure. Our multi-pronged approach is now well underway and includes:

- › upgrading existing resource recovery centres/transfer stations
- › developing new resource recovery centres/transfer stations to replace landfills that are closing
- › assisting with installation of the landfill liners needed to comply with Victoria's Best Practice Environmental Management regulatory tool – a source document for best-practice environmental management of landfills in Victoria that provides a guide to meeting legislative objectives.

The Rural and Regional Transfer Station Upgrade fund allocated \$2.9 million in 2014–15, and seven of the 30 local government facilities completed construction this year. The local governments of Buloke, Campaspe, Central Goldfields, South Gippsland and Surf Coast along with Falls Creek Alpine Resort have completed their projects. By 2016, the fund will have supported the upgrade of 30 resource recovery centres/transfer stations in 22 municipalities (Figure 3 and 4).

FIGURE 3: ANGLESEA RESOURCE RECOVERY CENTRE/TRANSFER STATION DURING CONSTRUCTION IN APRIL 2015.



FIGURE 4: CONSTRUCTION OF ANGLESEA RESOURCE RECOVERY CENTRE/TRANSFER STATION WAS COMPLETED IN JUNE 2015.



Our Rural and Regional Landfill Support program has assisted with the development of 14 new resource recovery centres/transfer stations to replace closing landfills that were deemed either environmentally or financially unsustainable. This year Glenelg Shire Council closed their Dartmoor and Nelson landfills, bringing the total number of landfills closed to seven since the program's inception.

The total funding available for this program over the four years of implementation is \$3.95 million.

Further progress is also being made through allocation of \$9.75 million by the Victorian government between 2014–17 for improving resource recovery centres/transfer stations and rural landfill infrastructure across Victoria (Figure 5). As 15 landfills are to be closed across the life of the program, eight more need to be closed by the end of 2016–17.

In 2014–15 we helped a number of rural and regional local governments to meet the new requirements for landfill liners outlined in Victoria's Best Practice Environmental Management regulatory tool. Landfill liners are a great practical solution but they require significant capital investment. Our \$3.5 million Transition Support Fund provides financial support for installation of liners over the four years of the program. This year we funded completed landfill liner installations in Cobram, Bairnsdale and Castlemaine. By the end of 2015–16 we'll have supported the installation of liners in 14 new landfill cells. The project is being delivered in partnership with 33 local governments and Victoria's seven new waste and resource recovery groups.

FIGURE 5: NEW AND PLANNED IMPROVEMENTS TO RESOURCE RECOVERY CENTRES/TRANSFER STATIONS AND RURAL LANDFILL INFRASTRUCTURE ACROSS VICTORIA.



5 Supporting the recovery of priority products and materials

Sustainability Victoria's Household Chemical Collection program focuses on providing a means by which Victorian households can easily and safely dispose of household chemicals at the end of their useful life. Permanent collection sites for low toxicity, high volume materials (waste paint, batteries and fluorescent lamps) continue to grow, and the mobile Detox your Home chemical collection service is provided at 30 locations across the state annually. Our work with local governments to encourage householders to recycle correctly also continued.

In 2014–15 we committed to:

- Increasing access to services and information for the correct disposal of priority products.
- Improving access for Victorian businesses to cost-effective options for resource recovery and managing their waste, specifically for tyres, organics, timber, paper, cardboard, glass, plastics and metals.
- Improving household awareness of correct recycling practices to increase the recovery of kerbside recyclables and organics through our Get It Right On Bin Night campaign in partnership with local government.

SV2015 outcome	Indicator	Results for 2014–15
Increased recovery of priority products and materials that contribute weight, that pose an environmental or health risk and/or are a valuable resource.	Increase in the volume or weight of household waste chemical products and priority products (in kilograms) recovered.	<ul style="list-style-type: none"> ➤ We provided 18 additional permanent drop-off sites across Victoria for paint, batteries and compact fluorescent lamps, taking the total number of sites to 30. In total, we recovered 1,091,903 kilograms of toxic household chemicals and target products (paint, batteries and fluorescent lamps), a 4 per cent increase from the previous year. ➤ We simplified the cost-effective management of waste tyres, organics, timber, paper, cardboard, glass, plastics and metals for Victorian businesses. ➤ We improved household awareness of correct recycling practices through ongoing support to almost 50 per cent of local governments in Victoria.

2014–15 operational highlights

In 2014–15 our Household Chemical Collection program provided Victorians with greater access to safe and easy disposal of paint, batteries and fluorescent lamps.

The existing network of permanent drop-off sites was expanded in 2014–15 to include 18 additional sites across Victoria for the safe disposal of paint, batteries and fluorescent lamps. We also supported 14 Victorian local governments, with up to \$15,000 each, to improve or construct infrastructure suitable for chemical collection. Overall, this represents an increase in chemical collection sites of almost 150 per cent (from 12 to 30).

In 2014–15, waste paint accounted for around 89 per cent of the total volume of all chemicals and target products collected through the Household Chemical Collection program. This year 1,061 tonnes of waste paint were collected through mobile collections and permanent sites. Working in partnership with the Australian Paint Manufacturers Federation, we continued to lead an Australia-wide, government/industry working group aimed at creating a product stewardship scheme for waste architectural and decorative paint and packaging. This year the working group finalised and endorsed a business plan, economic model, five-year rollout strategy and engagement plan, which will support an application for a recovery levy to the Australian Consumer and Competition Commission. The application was lodged in June 2015 and will be assessed against the Trade Practices Act. If the application is approved, Australia will be the first country in the world to have an all-inclusive voluntary product stewardship scheme for waste paint and packaging.

To encourage Victorians to plan for the safe disposal of their household chemicals, this year we standardised the Detox your Home mobile chemical collection calendar. Collections are now held at the same location, and in the same month, every year.

We also continued our work with almost 50 per cent of Victorian metropolitan and regional local governments on their use of marketing materials to encourage householders to recycle correctly, and whole communities to improve their recycling behaviours.

In 2014–15 the ongoing Batteryback program diverted a further 9,490 kilograms of domestic batteries from landfill, and was delivered at a cost of \$7 per kilogram. This is a substantial reduction from the \$67 per kilogram cost when the program began in 2007, and reflects the substantial growth in our collection efficiencies.

6 Supporting markets to use priority waste materials in recycled products

Government has a role to play in assisting the development of markets for Victoria's waste materials, particularly where there are market barriers. By improving the quality and quantity of waste materials processed, and by addressing information barriers, we've raised awareness of the potential market for waste materials. We've also identified clear priorities for market development based on market potential within Victoria, environmental impact and residual value.

In 2014–15 we committed to:

- Building the capacity and capability of the tyre, organics and timber industries to increase the supply and demand of recycled products.
- Demonstrating the effectiveness and applicability of recycled products to increase demand for recycled products that use tyres, organics, glass and brick..
- Supporting Compost Victoria to deliver its strategy through our funding of the Market Industry Development Officer
- The development of a Market Development Strategy for Recovered Resources.
- Completing and publishing the Victorian Organics Resource Recovery Strategy.

SV2015 outcome	Indicator	Results for 2014–15
An evidence base and support for industry to overcome both supply and demand barriers for priority waste materials to be used in recycled products.	The Victorian Organics Resource Recovery Strategy and a strategy to develop markets are completed, communicated and being implemented.	<ul style="list-style-type: none"> › Increase in the capacity and capability of the tyre, organics and timber industries, diverting 78,000 tonnes of organics and 22,500 tonnes of timber from landfill. › The effectiveness and application of recycled tyres, glass and bricks for roads has been proven. Yield enhancements have also been shown in the use of organics in agriculture. › Funding for the Market Industry Development Officer at Compost Victoria provided support for 14 field trials, and we continued our support for Veolia Environmental Services' three-year demonstration trial. › The draft Market Development Strategy for Recovered Resources was completed and will be released in early 2015–16. › The Victorian Organics Resource Recovery Strategy was completed and will be released in early 2015–16.

2014–15 operational highlights

Sustainability Victoria has committed to building the capacity and capability of the tyre and timber industries to increase the recovery and recycling of tyres, organics and timber.

Tyre stockpiles pose a risk to the Victorian community. As part of our commitment, we have been collaborating with EPA Victoria to support initiatives that promote greater recovery of tyres, and market demand for tyre-derived products. Increasing recovery and demand for tyres through a stronger and diversified end-of-life tyre market means less tyre stockpiles. Our extensive stakeholder engagement and research indicates that the asphalt and roads industry offers the largest potential for use of tyre-derived products in Victoria and, more broadly, in Australia. Detailed information is provided in Showcase 4.

In 2014–15 we worked with a fertiliser spreading company (Gibsons Groundspread) to develop their on-site capacity to blend and distribute up to 78,000 tonnes of additional compost into agricultural markets. Around 35,000 tonnes of compost has been sold to the market in the first year, with anecdotal evidence indicating savings of up to 100 megalitres of water per year as a result of using the compost product. Regional Development Victoria also supported the development of this \$4.8 million compost processing and distribution facility.

Our Timber Recycling Fund supported four projects that increased the processing capacity at existing timber recycling operations producing particleboard, biomass pellets and ecobriquettes. This resulted in an overall increased processing capacity of 22,500 tonnes per annum, and an increased recovery capacity of 27,500 tonnes per annum. From our original investment of approximately \$500,000 we leveraged an additional industry co-investment of more than \$800,000. Case studies of the projects will be published in 2015–16.

In partnership with Swinburne University, VicRoads, the Municipal Association of Victoria, and organisations in the construction and demolition industry we completed two research projects that demonstrate the use of recycled crushed glass and crushed brick in road construction. The results have led to an updated VicRoads specification, which now allows 15 per cent of recycled crushed glass and crushed brick to be used in certain applications. A business case for local governments to use local recycled materials as a supplement in pavement construction was also published in 2014–15.

We continued to support Veolia Environmental Services' three-year demonstration trial of compost on broad-acre cropping in the Mallee region. The trial enables us to gather evidence in key farming markets to demonstrate the soil structure improvements from using quality organic products in agriculture. It will be completed in December 2015 and interim findings, published this year, are promising. It is anticipated that results will demonstrate dual benefits from compost products, in improving soil health and productivity, and reduced production costs.

Our work with Compost Victoria also continued through funding of a Market and Industry Development Officer. This year, the officer contributed to 14 field demonstration trials and attended the organic industry's four most important field days. In addition, numerous communication activities including case study development, and various presentations and articles, some of which reached up to 100,000 people, were supported through this role.

In 2013–14 we commissioned market analysis of four materials that were identified as priorities, and four that were identified as emerging materials of interest. This analysis was reviewed in 2014–15 and case studies were developed for brick, stone and concrete, flexible plastics, glass, organics, tyres, timber, refuse-derived fuels, and shredder floc. These are available on our website.

Market analysis also informed development of the draft Victorian Market Development Strategy for Recovered Resources. Strategy development began with a discussion paper and public consultation, which included online forums and 10 workshops that were held across the state and attended by 162 participants. Feedback was sought on market development barriers, opportunities for government interventions, and potential criteria for prioritising materials and products. The result was overwhelming agreement with the directions outlined in the discussion paper. This feedback has provided us with proposed key market development interventions and actions for the draft strategy.

In 2014–15 we completed the Victorian Organics Resource Recovery Strategy, which will be published in 2015–16. Online consultations on the draft strategy were held in September and 30 responses were received. Development of this strategy has led to strong relationships with other government departments. This close collaboration has been the key to ensuring the strategy incorporates important synergies between legislation, regulation and policies that affect the appropriate management, disposal and reuse of organic wastes.

Showcase 4:

A new road for used tyres

There is great potential for tyre-derived products to be used by the asphalt and roads industry. In particular, crumb rubber as an additive to asphalt (known as crumb rubber asphalt, CRA) can significantly enhance the performance of roads. In collaboration with the Australian Road Research Board, the Queensland Department of Environment and Heritage Protection and the Queensland Department of Transport and Main Roads, we sought to understand the barriers faced by the asphalt and roads industry that inhibit wider use of CRA. Key barriers identified to-date include the increased cost of CRA products, the potential safety issues in its application, and road construction specifications that prevent broad application.

In 2014–15, in partnership with Downer, we funded Close the Loop to commercialise an asphalt additive that uses a mixture of recycled cartridge toner, ground tyres and waste oil. Coupled with additional recycled content such as glass and asphalt, the new additive enables Downer to make an asphalt mix that is 99 per cent recycled. Production of the new product will divert 3,000 tonnes of waste from landfill every year and create 12 new jobs in Victoria.

In 2014–15 Sustainability Victoria co-funded a feasibility study with the Northern Grampians Shire Council to assist with management of a priority tyre stockpile in Stawell. The first phase of this work has been completed, with assessment of options for mitigating the fire risk and using the tyre stockpile as a resource for productive outcomes. The second phase will engage with key stakeholders to investigate potential processing options, particularly those that contribute to job creation and ongoing safe industry practices in the region. The study will be completed by September 2015.

The Tyre Stewardship Australia (TSA) is a key partner in developing sustainable tyre markets. The TSA was established to administer a national tyre product stewardship scheme, funded by a 25-cent levy on each tyre imported into Australia. The scheme promotes the safe handling and disposal of end-of-life tyres, as well as the development of viable markets for the estimated 48 million end-of-life tyres generated in Australia annually. Funding through the scheme will enable TSA to audit and accredit the end-of-life tyre supply chain, and provide opportunities for market development.

In 2014–15 we also worked with VicFleet and the Department of Treasury and Finance to amend the Victorian Government Standard Motor Vehicle Policy. TSA-accredited organisations are now the Victorian Government's preferred suppliers, encouraging better management of the waste tyre supply chain.



7 Supporting local government, land managers and the community to prevent litter

As well as working closely with local government, we continue to work with the 12 organisations that form the Victorian Litter Action Alliance (VLAA) to coordinate statewide litter activity management.

In 2014–15 we committed to:

- › Delivering capability-building programs and activities that enable local governments, land managers and community groups to reduce litter in public places.
- › Improving the skills and capability of local governments and land managers to identify and reduce litter at litter hotspots.
- › Facilitating programs that encourage and enable Victorians to safely participate in litter prevention and litter management activities.
- › Coordinating litter prevention programs with litter stakeholders across Victoria.
- › Introducing 300 public-place recycling bins and three mobile recycling trailers across Victoria to reduce litter destined for landfill.

SV2015 outcome	Indicator	Results for 2014–15
Local governments, land managers and community groups are better equipped to prevent litter.	We have engaged at least 50 per cent of Victoria's local government authorities in litter prevention capability-building programs.	<ul style="list-style-type: none"> › We continued to build the capability of stakeholders to reduce litter in public places, attracting three new members to VLAA. We also ran five Local Litter Measurement Toolkit training sessions. These sessions helped land managers and local government to gather, analyse and use local litter and illegal dumping data, and more effectively plan prevention and management programs. › We improved the skills and capability of local government authorities and land managers to identify and reduce litter at litter hotspots. This resulted in removal of 70 tonnes of litter from Victorian roadsides. We also delivered 176 new public-place recycling bins, 102 refurbished bins, and three mobile recycling trailers. › We delivered the Keep Australia Beautiful Victoria (KABV) awards programs, which encourages Victorians to build a more sustainable state, protect our environment, strengthen our communities, and prevent and manage litter. › We coordinated KABV's volunteer programs, which contribute 36,000 volunteer hours across Victoria.

2014–15 operational highlights

In 2014 we continued to facilitate programs that encourage and enable Victorians to safely participate in litter prevention and litter management activities. We delivered capability-building programs and activities that enabled local government, land managers and community groups to reduce litter in public places.

Victoria was once again the leading state on the National Litter Index with the least litter on the ground. The 2015 VLAA Stakeholder Survey found that litter stakeholders across the state have the strong commitment and collaborative spirit needed to identify and reduce litter and illegal dumping.

Working with the VLAA, we continued to improve the skills and capability of local governments and land managers. The association welcomed three new members in 2014–15: the National Packaging Covenant Industry Association, the Yarra River Keeper Association, and Port Phillip EcoCentre. The conclusion of the Association of Victorian Regional Waste Management Groups and the Packaging Stewardship Forum saw these two organisations leave the VLAA, and the Victorian Local Governance Association also ceased its membership.

In 2014–15 we delivered 176 new, and 102 refurbished bins, together with three mobile recycling trailers for use at events in locations that do not have fixed public-place recycling bins. This ensures that waste is separated on-site. We also released a new website for the VLAA and continued to distribute our bi-monthly newsletter, *LitterAlly*, which shares case studies, new materials, and advice on litter prevention and management.

Through our management of KABV, the Adopt a Roadside program continued to grow with another 14 groups joining. This brings the total to 131 groups. Together, these represent approximately 970 participants working on 592 kilometres of roads, volunteering over 6,000 hours to remove more than 70 tonnes of rubbish from Victorian roadsides. The Stationeers program also continued, with 53 stations now reaping the benefit of 30,000 volunteer hours.

KABV has been under our stewardship since 2009. On 30 June 2015 the business returned to independent operations, now trading as Keep Victoria Beautiful.

Our core capabilities

The organisational capabilities of Sustainability Victoria have been a focus for us over the last three years. Without appropriate business practice standards we would have been unable to maximise the outcomes we committed to in *SV2015*.

1 Statewide engagement

Only by actively engaging with our many stakeholders can we truly understand their needs. With this in mind, in 2014–15 we committed to:

- › Using awards, grants, campaigns and programs to maximise the opportunities for metropolitan and regional Victorians to access our programs that deliver integrated waste management and resource efficiency outcomes..
- › Strengthening relationships with external stakeholders through an enhanced customer service culture
- › Increasing the capability of our staff to engage and communicate with external stakeholders.

SV2015 outcome	Indicator	Our 2014–15 results
Improved engagement and communication with our stakeholders to deliver better waste and resource efficiency outcomes.	Improvement in stakeholder perceptions of whether we deliver our promises, understand needs and issues and are easy to access and communicate with.	<ul style="list-style-type: none"> › Awards, grants, campaigns and programs continued to maximise opportunities for metropolitan and regional Victorians. › Customer service culture improved 10 per cent. › More staff using social media and participative program planning. Key staff can now also update program information across our website and social media platforms.

2014–15 operational highlights

Our focus on the SWRRIP initiatives has allowed us to develop more external stakeholder relationships. Our intensive strategy and plan development was driven by a genuine desire to hear our stakeholder's thoughts. Our collaborations with stakeholders, who are well positioned to help us refocus on assisting communities to mitigate climate change, have also been welcomed. Ongoing regional and metropolitan consultations gives us greater understanding of needs and priorities. Together, these factors build and strengthen important community relationships.

We have always sought to know and understand our stakeholders to ensure our programs are relevant. Our statewide engagement staff have also developed a regional toolbox of information. These efforts inform our programs and reward our metropolitan-based staff with valuable insights into regional needs.

Regional involvement in Sustainability Victoria awards has grown. The Premier's Sustainability Awards attracted 104 entries this year, a 50 per cent increase from 2013–14. Media coverage went from 145 articles in 2013–14 to 255 in 2014–15. Our ResourceSmart Schools Awards had 98 entries, an increase from the previous year.

Stakeholders see us as easy-to-approach experts who deliver on their word. In particular, more stakeholders found us easier to access and communicate with (73 per cent in 2014). Feedback suggests our stakeholders appreciate our efforts to listen more, and the better gathering and organising of stakeholder knowledge.

Social media and digital engagement improved in 2014–15. Our Love Food Hate Waste facebook page explains all about food waste, and the Smarter Renovations page shows how to make a home more energy efficient. Yammer improved the information flow between our Melbourne and regional staff, and stakeholders. Participate Sustainability Victoria, our community consultation website, provided us with another way to engage stakeholders in strategy and program development. We are also developing skills in co-designing outcomes with external stakeholders (see Showcase 5).

This year we ran monthly Regional Waste and Resource Recovery Infrastructure Plan workshops with the executive officers of the seven waste and resource recovery groups and EPA. These were enhanced by upgrading technical platforms to enable easier document sharing and teleconference capability. Local government relationships-building continued apace with our CEO attending most of the regional local government CEO network meetings.

Surveys showed our presence was highly valued by attendees. We also attend regular meetings with Municipal Association of Victoria and EPA Victoria's Strategic Partnerships team about engaging local government.

We held 10 consultation workshops around Victoria, speaking with 162 people about our plans to improve market development, investment and procurement in the waste and resource recovery sector. Consultation was managed separately for the Victorian Organics Resource Recovery Strategy and the Victorian Community and Business Waste Education Strategy, and a consolidated process was managed for market development, investment facilitation and collaborative procurement.

We consulted with key stakeholders with an interest in climate change, energy, waste and resource recovery to inform *SV2020*, our next organisational strategy.

Showcase 5:

Customising our program offerings and Participate Sustainability Victoria

Our statewide Engagement Team brought together business and Hume region industry engagement practitioners. This engagement will ensure our regional programs are appropriate. One outcome, so far, is the Hume Business Champions Network, co-designed and co-delivered by a regional working group. Similar efforts were made with the Love Food Hate Waste program (Showcase 2).

“Even small steps can produce big results when it comes to energy savings. You can start with the simplest ones to implement and work up to those that require greater investment or planning. As a council officer, I plan to include more messages on saving money through energy and materials efficiencies in my communication with businesses.”

– Survey respondent, after the combined Hume Business Champions Network and Sustainability Victoria event, June 2015.

Avoiding a one-solution-fits-all approach has allowed us to engage with less traditional stakeholders and reach regional businesses through like-minded local intermediaries.

We also set up Participate Sustainability Victoria, our community consultation website. Participate Sustainability Victoria invites Victorians to share ideas and join conversations about our initiatives (Figure 6). This year we sought input on our strategies to improve waste and resource recovery management and market outcomes in Victoria, including the Investment Facilitation Framework, the Collaborative Procurement Framework, and the Victorian Market Development Strategy for Recovered Resources. Input was also gathered for the SWRRIP. This platform allows Victorians to learn about our projects, submit their ideas and exchange their views with others.

FIGURE 6: PARTICIPATE SUSTAINABILITY VICTORIA



2 Evidence-based investments and outcomes

A mid-term review to track our success in meeting *SV2015* has given us a clearer measure of success, and directed staff towards areas where they can make the most impact. It also helped us spend funds more effectively.

We have introduced a systematic project management approach including project governance bodies to monitor a project's performance. Our research and evaluation strategy is also building our planning, monitoring and evaluation capability. The resulting action plan and themes are evolving with *SV2020*.

In 2014–15 we committed to:

- › Ensuring up-to-date, relevant and accessible evidence is used to inform all investments at an organisational level (in annual business planning and in developing our next strategy) and at a project level.
- › Ensuring up-to-date, relevant and accessible evidence is used to demonstrate the outcomes of our organisational strategy and associated priority projects.

SV2015 outcome	Indicator	Results for 2014–15
An evidence-based culture that informs our investments in integrated waste management and resource efficiency and demonstrates the outcomes of those investments.	Improvement in our staff's perception that Sustainability Victoria is an evidence-based organisation.	<ul style="list-style-type: none"> › Established a new project management system to better track organisational investments and projects. › Used up-to-date, relevant and accessible evidence to demonstrate <i>SV2015</i> outcomes and associated priority projects.

2014–15 operational highlights

By clearly demonstrating key achievements and learnings we have given staff an improved sense of purpose and satisfaction. Quarterly reports for priority projects, capturing our program delivery judgements, prepared us well for our summative evaluation that will take on-board lessons we have learned over the past three years to help us deliver *SV2020* as effectively as possible.

Our new project management framework embeds better planning, monitoring and evaluation, and was utilised for the 2015–16 business planning process.

Sustainability Victoria's research and evaluation strategy is now available to all staff, providing a clear and consistent approach to gathering and using evidence. A Research and Evaluation Action Plan for 2015–16 is creating an emerging picture of our research themes, which we plan to consolidate next year. Our research collaboration with BehaviourWorks Australia continues to improve the work we do to influence behaviour change in the areas of energy and materials efficiency.

3 People and leadership

Sustainability Victoria is committed to maintaining a motivated, capable, diverse and happy workforce; one that's well equipped to execute *SV2020*.

In 2014–15 we committed to:

- › Increasing the capability of our leaders to drive success through our people.
- › Shifting our actual organisational culture towards the preferred culture.
- › Building and maintaining a positive, diverse, healthy and safe working environment with a commitment to the wellbeing of our staff.
- › Retaining, developing and attracting people with the capabilities, skills, expertise and knowledge we need to best position ourselves now and into the future.

SV2015 outcome	Indicator	Results for 2014–15
A flexible, resilient and capable workforce that delivers on our strategy and contributes to government policies and priorities.	Improvement in our staff's perception that Sustainability Victoria's culture is achievement-focussed and constructive.	<ul style="list-style-type: none"> › Increased capability of our leaders to model our values. › A 2.7 per cent overall shift towards our preferred culture. › A positive, diverse, healthy and safe working environment across all measures, with a reduction in work place incidents. › Systems in place to track and nurture skills needed for our next strategy. › A decrease in staff turnover to 8.4 per cent (from 13 per cent in 2013–14).

2014–15 operational highlights

Leadership was a key focus this year and staff have responded well to changes. We continue to use the Organisational Culture Index (OCI), supplementing this with regular pulse checks. This year we found that:

- › 73 per cent of staff believe their manager's behaviour consistently models our values
- › 89 per cent feel accountable for delivering our strategic plan
- › 80 per cent believe their manager holds them accountable for delivering on the plan
- › 81 per cent understand how their role contributes to the direction of the organisation.

This reflects a workforce that feels involved and invested in our direction.

Supported by critical conversation training, we focused on giving and receiving feedback. OCI results indicate a significant shift, with a 15 per cent increase in constructive styles, and an impressive 61 per cent decrease in passive/defensive styles.

A key focus of the People and Leadership Strategy for *SV2015* was improving leadership. Our leaders completed a collegiate, 18-month leadership program in March and now report feeling more proactive, results-focused and supportive of each other. An OCI retest in 2014 showed a transformational shift, and our leaders report feeling better equipped to lead.

Results from the 2014 OCI show this is the first time a constructive style has been evident in Sustainability Victoria's top-three styles, and the first time it has exceeded the 50th per centile. This indicates progress towards our preferred culture. In addition, 82 per cent of staff are proud of our work and 72 per cent tell others it's a great place to work.

Our retention rates continue to improve, with a decrease in staff turnover to 8.4 per cent, a positive comparison to the Victorian Public Service turnover of 10.3 per cent. We continue to build and maintain

a positive, diverse, healthy and safe working environment. Our pulse checks indicate that 78 per cent of staff feel their health and wellbeing is supported.

We've made data more accessible to our leaders to improve their workforce management. This data will also help us develop staff skills that align with our business priorities and financial constraints, especially as we begin delivering our next strategy.

4 Governance and coordination

An efficient, effective and compliant business needs consistently-used, robust, fit-for-purpose internal processes. We worked closely with our portfolio partners and the incoming government to ensure planning for our next strategy aligns with broader government goals.

In 2014–15 we committed to:

- › Ensuring our decision-making is transparent and traceable at all levels, and complies with Victorian Government standards.
- › Ensuring our internal processes are clear, consistent, understood and used by staff.
- › Ensuring we meet policy and government outcomes through better coordination across the environment portfolio for strategy and project delivery.

SV2015 outcome	Indicator	Results for 2014–15
High standards of governance, accountability and performance while delivering coordinated programs within our portfolio.	We have the right governance in place to enable ethical standards, sound decisions and successful business outcomes.	<ul style="list-style-type: none"> › Transparent, traceable decision-making at all levels, compliant with Victorian Government standards. Good governance practice across all governance bodies. › A new internal governance system in development. › Regular communication and collaboration at officer and executive levels, delivering more coordinated planning and better decisions.

2014–15 operational highlights

In 2014–15 we reported on our regulatory compliance and improved processes. We are currently developing SV Enabled, an integrated, fit-for-purpose technical platform for stakeholder management, procurement, contracts and grants. It will be completed by December 2015.

In 2014–15 we regularly achieved 98 per cent statutory compliance.

We delivered staff training, including Appropriate Workplace Behaviour, and in the governance areas of procurement and grants.

Sustainability Fund and Secretariat

The Sustainability Fund was established under the *Environment Protection Act 1970 (Vic)* out of the Landfill Levy. It is building Victoria's capacity to use resources more efficiently and live sustainably, and its role is to foster:

- › environmentally sustainable resource use
- › waste management best practices
- › climate change-related community actions and innovations.

Under the *Environment Protection Act 1970 (Vic)*, we manage the Sustainability Fund on behalf of the Premier and the Minister for Environment and Climate Change. Through the Sustainability Fund Secretariat we:

- › distribute the premier's and the minister's allocations
- › initiate and deliver funded programs
- › support the Advisory Panel advising the premier and minister on using the fund's money
- › monitor progress of funded projects.

From 1 July 2015 the Sustainability Fund will be managed by DELWP.

5 Our office-based environmental performance

An Environment Management System (EMS) is a tool for managing the impacts of Sustainability Victoria's activities on the environment. It provides a structured approach to planning and implementing environment protection measures.

ISO 14001 is the globally recognised standard for Environment Management Systems. The standard provides guidelines to ensure environmental issues are considered in decision making, and help organisations gain the most benefit from their EMS.

Our EMS is currently based on the requirements of AS/NZS ISO 14001 and includes the Victorian Government requirements for Departmental EMS.

We were certified under AS/NZS ISO14001 in December 2007 and are the first Victorian government agency to achieve this.

By integrating environmental management into our daily operations, strategic planning and other management systems, the EMS enables regular checks of our environmental performance.

To develop our EMS, we have assessed our environmental impacts, set targets to reduce these impacts and implemented plans to achieve the targets.

2014–15 operational highlights

In 2014–15 over 10 per cent of our staff continued to be involved in implementing and improving our Corporate Sustainability program.

We maintained our carbon neutral position with offsets and procured 100 per cent of our energy from renewable sources.

As a result of upgrading our information technology services and changing our telephone system to an internet-based platform, we reduced our energy use by 8 per cent compared to 2013-14, 21 per cent compared to 2012-13.

We recycled 90 per cent of our waste, which continues to be above the Victorian government average*, and reduced our paper usage to its lowest levels (5.3 reams per FTE compared to a Victorian Government average of 13.1*).

Sustainability Victoria achieved a 6-Star NABERS tenancy rating with 100 per cent GreenPower. We continue to explore ways to improve energy efficiency.

We also supported others in improving their corporate sustainability. We shared our work with the NSW Office of Environment and Heritage, who have subsequently implemented a model of our corporate program, and facilitated numerous site visits to our offices including the RMIT Urban Ecology Symposium.

We decreased the use of our vehicle fleet by 10 per cent compared to 2013-14, reflecting the uptake of our improved telephony and video conferencing technologies, while air travel increased by 7 per cent compared to 2013-14 reflecting our increased collaboration with other state governments.

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* Strategic Audit: Implementation of environmental management systems in Victorian Government 2013-14, Commissioner for Environmental Sustainability, Victoria



Part 4 Summary of financial performance

Five-year financial summary and current year financial review (\$'000)

Five year financial summary	2015	2014	2013	2012	2011
Income from Government	14,471	15,440	20,076	20,979	16,910
Other income	20,710	19,827	33,451	26,777	26,726
Total income	35,181	35,267	53,527	47,756	43,636
Program expenses	20,143	21,155	18,935	22,398	24,709
Employee benefits	13,582	12,396	12,463	14,962	15,577
Other expenses	6,610	10,842	10,354	6,346	12,463
Total expenses	40,335	44,393	41,752	43,706	52,749
Net result for the period	(5,231)	(8,853)	11,775	4,050	(9,113)
Net cash flow from operating activities	(2,845)	(10,462)	13,607	4,281	(107)
Total assets	31,169	36,439	48,073	32,769	28,794
Total liabilities	6,190	6,228	9,009	5,480	5,555

Significant changes in financial performance and position during the year and subsequent events

Total income (\$35.18 million) remained constant in 2014–15 compared to 2013–14. There was an overall decrease in expenditure for 2014–15 (\$4.10 million) with the main variances being decreased expenditure for program expenses (\$1.01 million), and other expenses (\$4.23 million), offset by higher employee benefits (\$1.19 million).

Income is expected to reduce further in 2015–16, with the impact built into our forward budgets, and will be funded through the utilisation of cash reserves. We anticipate breaking even in 2017–18 and will commence delivery of our five-year strategic plan (SV2020) in 2015–16.

From 1 July 2015, management and administration of the Sustainability Fund transferred from EPA to the Department of Environment, Land, Water and Planning (DELWP).

As a result, the SF secretariat role that had been managed by SV has now been transferred to DELWP. There have been no other events subsequent to the balance date of 30 June 2015, which may significantly affect operations in subsequent years.

Sustainability Victoria forward cashflow projections

To support SV's change in focus, over the duration of 2015–16 SV will establish the evidence base for our existing and potential future programs to meet the government's priorities.

Sustainability Victoria has in place a Long-Term Financial Plan which seeks to ensure the organisations financial sustainability. We will maintain an adequate financial buffer in outward years and will implement changes to our operating model should the need arise.

Forward cashflow statement	2015–16 \$000	2016–17 \$000	2017–18 \$000
Revenue	25,705	22,429	20,496
Expenditure	36,107	31,755	20,496
Surplus/(deficit)	(10,402)	(9,326)	–
Cash reserves 01/07	25,228	14,826	5,500
Cash reserves 30/06	14,826	5,500	5,500

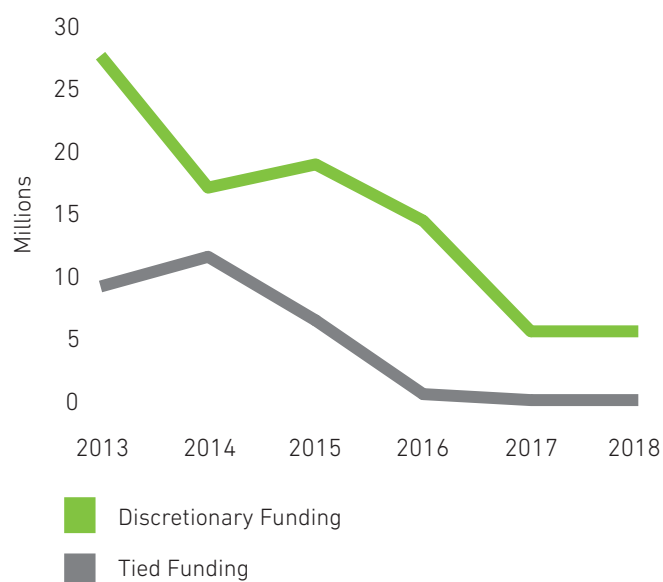
Forecast cash reserves

Sustainability Victoria had \$25.2 million in cash reserves as at 30 June 2015, of which, \$6.4 million represents funds received from government (tied to the delivery of specific projects) that was unspent at 30 June 2015. Of the balance, \$8.7 million is fully contracted in projects funded from recurrent revenue and surpluses or other funds.

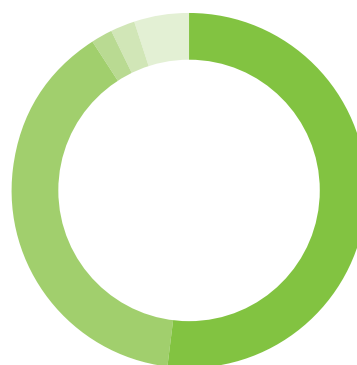
We have future expenditure commitments totalling \$23.6 million, of which, \$8.4 million is for tied funding projects and \$15.2 million for other expenditure.

In 2014–15 we maintained a minimum working capital of \$5.5 million to ensure the organisation is able to meet its financial commitments. With confirmed revenue reducing in the coming years, our business planning has applied cash balance to projects (while maintaining a working capital minimum of \$5.5 million), which is projected to be expended on government priorities by 30 June 2017. We anticipate breaking even in 2017–18.

Actual and forecast reserves 2013–2018

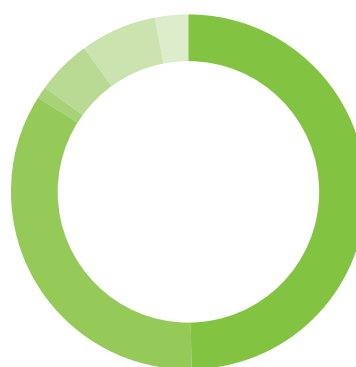


Tied funding is funding received from government, or third parties, for the implementation of specific projects. Other funding includes our landfill levy distribution, with investment decisions made by the Sustainability Victoria management and board.



Sustainability Victoria Revenue 2015

52%	Landfill Levy \$18,138,945
39%	Government grants \$13,775,482
2%	Other revenue from government \$695,435
2%	Interest \$706,607
5%	Other revenue \$1,864,888



Sustainability Victoria Expenditure 2015

50%	Program expenses (\$20,143,427)
34%	Employee benefits (\$13,582,301)
1%	Depreciation (\$273,856)
5%	Other Expenses (\$2,066,751)
7%	Telecommunications & IT (\$2,977,902)
0%	Finance costs (\$12,053)
3%	Occupancy costs (\$1,278,769)

Part 5 Governance

Our board

The *Sustainability Victoria Act 2005* (Vic) allows for the Minister for Environment and Climate Change to appoint seven to nine non-executive members to the Sustainability Victoria Board. In appointing members to oversee Sustainability Victoria's strategy and functions, the minister considers their skills, experience and knowledge.

When the Sustainability Victoria Act was amended in early 2014–15, the board needed to comprise two members with skills, experience or knowledge relating to waste management within local government, and two members with skills, experience or knowledge around the waste industry.

The board's role

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

- › sets our strategic direction, objectives and performance targets
- › selects 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 organisational good conduct and stakeholder relationships
- › manages and monitors board and committee conduct and performance.

Board members

The table below shows our board members for 2014–15 and overall period of appointment.

Lydia Wilson	Board member from December 2013: Deputy Chair March 2014 to July 2014 : Chair from July 2014 to May 2015
Ross McCann	Board member from August 2011: Deputy Chair from July 2014 to May 2015 :, Interim Chair from May 2015 to current
Suzanne Evans	Board member from December 2009: Acting Deputy Chair from May 2015 to current
Cheryl Batagol	Board member from October 2005 to October 2014
Megan Flynn	Board member from May 2015 to current
Daniel Fyfe	Board member from May 2015 to current
Tony Hinton	Board member from May 2012 to May 2015
Ron Lovett	Board member from May 2012 to May 2015
Roger Parker	Board member from November 2014 to current
Kane Thornton	Board member from May 2015 to current
Arron Wood	Board member from July 2014 to current

Our board members



Ross McCann

Interim Chair from May 2015 to current, Deputy Chair from July 2014 to May 2015, Board member from August 2011.

Ross was Chairman of Qenos from 2011 to 2015 and formerly Executive Chairman and Chief Executive Officer. He is a member of the EPA's Environment Protection Board, member of Victoria's Workcover Authority, Special Advisor to the President of China National Chemical Company and Chair of the Visiting Committee of the University of NSW School of Chemical Engineering. Ross spent 25 years in management based roles at ICI Australia across operations, business development, projects and in leading business units. He has been a member of the Executive Committee of WMC Resources Ltd.

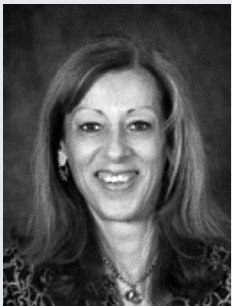


Suzanne Evans

Interim Deputy Chair, Chair of the Audit; Risk and Finance Committee

Board member from December 2009, Acting Deputy Chair from May 2015 to current.

Suzanne is a board member of Austin Health and Bioregional Australia Foundation Pty Ltd, an independent member of DELWP's Risk and Audit Committee, and Partner of Mount Gisborne Orchards and Nurseries. She has held a number of key financial management roles including General Manager Customer and Community Relations at Western Water, and senior roles with the former Department of Natural Resources and Environment, and the Department of Treasury and Finance (DTF). She is a former member of the board of North East Region Water Corporation, and has held a number of other board and committee of management positions in health, education, superannuation and community.



Lydia Wilson

Board member from December 2013, Deputy Chair March 2014 to July 2014, Chair from July 2014 to May 2015.

Lydia is a leadership and management consultant. She has extensive experience as a senior executive, with a local government career spanning over 22 years and 13 years at Chief Executive Officer level. She has worked with five Victorian local governments and was Chief Executive Officer at Manningham City Council, the City of Yarra and at the Shire of Macedon Ranges following Director roles at the City of Maroondah and the former City of Collingwood. Lydia is a graduate of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and was a Fellow of Local Government Professionals. She was appointed as Chairperson of the Ministerial Advisory Committee on Waste and Resource Recovery Governance and completed this review in May 2013. She is a current member of the SACS Advisory Board.



Cheryl Batagol

Board member from October 2005 to October 2014.

Cheryl is the Chairman of the Victorian Environment Protection Authority (EPA) and the Chair of the Co-operative Research Centre for Water Sensitive Cities. 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 Chairperson of EcoRecycle Victoria from 2003–2005.



Megan Flynn

Board member from May 2015 to current.

Megan is the Qantas Group Manager of Environment and Carbon Strategy. She is an experienced business development professional in international and domestic environmental markets and policy. Her background is in law, sustainable business management and corporate strategy. Megan holds non-executive director roles at the Carbon Market Institute, the Earthwatch Institute and sits on the Advisory Board of the Melbourne Sustainable Society Institute for the University of Melbourne.



Tony Hinton

Board member from May 2012 to May 2015

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.



Daniel Fyfe

Board member from May 2015 to current.

Daniel has over 25 years' experience in the waste management industry across Australia and New Zealand, and has worked on many engineered landfill and waste-related projects. He has developed industry standards with EPA Victoria and waste management policy with the Victorian Government. He was a founding Director of ALOA at the time of the introduction of the Carbon Pollution Reduction Scheme and went on to chair its Victorian Division. He's currently Divisional Manager at Hanson Landfill Services. Daniel is a Fellow of the Australian Institute of Company Directors, a member of the Institution of Engineers, Australia, and a member of the Waste Management Association of Australia.



Ron Lovett

Board member from May 2012 to May 2015

Ron has over 40 years, continuous involvement in the major infrastructure building and construction sectors, working both overseas and throughout Australia, with 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. He has extensive experience in executive elected position roles in not-for-profit and industry leadership organisations.



Roger Parker

Board member from November 2014 to current.

Roger was formerly a Principal of the consulting engineering firm Golder Associates. He now works part time as a Senior Consultant for Golder Associates. He has been an Consulting Engineer for nearly 40 years, the last 30 years specialising as an Environmental Consultant, providing services in waste management and contaminated land. He is an Environmental Auditor for contaminated land in Victoria and a Contaminated Sites Auditor in WA. His work has been predominantly with waste disposal consulting matters, particularly landfills, but he has also been involved with various studies related to transfer stations, waste auditing and waste planning. He is currently a Member of the Institution of Engineers, Australia, a member of Victorian Planning and Environmental Law Association and is a Life Member of the Waste Management Association of Australia.



Arron Wood

Board member from July 2014 to current.

Arron is a sustainability expert and runs his own award-winning business. He has a history in environmental journalism and is committed to education. His award-winning education program Kids Teaching Kids has had over 80,000 student participants since 1999. The *Weekend Australian Magazine* named him as one of the top-10 education leaders nationally, and he was the Prime Minister's Environmentalist of the Year in 2007. He received The Centenary Medal for outstanding contribution to conservation, the United Nations Individual Award for Outstanding Service to the Environment, and was the 2001 Young Australian of the Year for the environment. Arron is currently a board member of the Port Phillip and Westernport Catchment Management Authority and a Councillor for City of Melbourne.



Kane Thornton

Board member from May 2015 to current.

Kane is CEO of the Clean Energy Council, the peak body for Australia's renewable energy and energy efficiency industry. He has more than 10 years' experience in energy policy and leadership in the development of the renewable energy industry, and has advocated for, and helped design, policies critical to its growth. He is a political advocate, public presenter and media spokesperson. His previous roles include Senior Manager and advisor for Hydro Tasmania and Executive Officer of Renewable Energy Generators Australia. Kane is a graduate of the Australian Institute of Company Directors and has broad international management experience, having previously worked in technology while living and working in Asia. He has held a range of advisory and board roles with government and non-government organisations in the climate change and renewable energy sector.

Attendance at Sustainability Victoria board meetings in 2014–15

Meetings were held in July, August, September, October and December 2014 and February, March and May 2015.

Table 2 records members' attendance.

TABLE 2: SUSTAINABILITY VICTORIA BOARD MEMBERS' MEETING ATTENDANCE.

Board member	Meetings eligible to attend	Meetings attended
Lydia Wilson	7	6
Ross McCann	7	7
Cheryl Batagol	3	1
Ron Lovett	7	6
Tony Hinton	6	4
Suzanne Evans	7	7
Roger Parker	4	4
Arron Wood	7	6
Kane Thornton	1	1
Daniel Fyfe	1	0
Megan Flynn	1	1

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 2014–15, the committee reviewed and monitored:

- › financial statements and notes to accounts for 2013–14
- › internal audit plan for 2015
- › Business Disaster Recovery
- › ongoing development and monitoring of Sustainability Victoria's Project Management Framework
- › grants management
- › payroll
- › ongoing monitoring of Sustainability Victoria's business information technology system improvements

- › ongoing monitoring of organisational risks
- › compliance with statutory obligations
- › compliance with the DTF's Financial Management Compliance Framework at 30 June 2015
- › risk attestation compliance at 30 June 2015.

The Audit, Risk and Finance Committee comprised four board members in 2014–15: Suzanne Evans (Chair), Ross McCann, Janice van Reyk and Rob Hogarth. Ms van Reyk and Mr Hogarth were external, independent members of the committee throughout 2014–15. Table 3 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 3: AUDIT, RISK AND FINANCE COMMITTEE MEMBERS' MEETING ATTENDANCE.

Committee member	Meetings eligible to attend	Meetings attended
Suzanne Evans (Chair)	5	3
Ross McCann	5	3
Janice van Reyk	5	4
Rob Hogarth	5	4

People and Culture Committee

The primary role of the People and 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 and 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 2014–15, the committee

- › reviewed and discussed capability data across the organisation
- › discussed and provided guidance on related strategic risks
- › discussed the portfolio approach to talent management.

The committee comprised three board members in 2014–15: Ron Lovett (Chair), Lydia Wilson and Cheryl Batagol, and Jeanette Lang as an external member. Table 4 shows committee members' meeting attendance.

TABLE 4: PEOPLE AND CULTURE COMMITTEE MEMBERS' MEETING ATTENDANCE.

Committee member	Meetings eligible to attend	Meetings attended
Ron Lovett (Chair)	3	3
Cheryl Batagol	1	1
Lydia Wilson	3	1
Jeanette Lang	3	3

Keep Australia Beautiful Victoria Community Advisory Committee

The Keep Australia Beautiful Victoria (KABV) Community Advisory Committee oversees the activities of KABV programs.

In 2014–15 the committee comprised one board member, Ron Lovett (Chair), Sustainability Victoria's Director, Engagement, Vera Lubczenko, and four external members, Dick Gross, Kirsty Richards, Matthew Peake and Robert Millard.

In 2014–15, the committee:

- › reviewed and guided the operations of the KABV programs
- › reviewed and guided progress of the transition of KABV to independence.

Table 5 shows committee members' meeting attendance.

TABLE 5: KEEP AUSTRALIA BEAUTIFUL VICTORIA COMMUNITY ADVISORY COMMITTEE MEMBERS' MEETING ATTENDANCE.

Committee member	Meetings eligible to attend	Meetings attended
Ron Lovett (Sustainability Victoria Board)	4	4
Vera Lubczenko (Sustainability Victoria)	4	4
Dick Gross (Keep Australia Beautiful Victoria Inc.)	4	3
Kirsty Richards (Keep Australia Beautiful Victoria Inc.)	4	4
Matthew Peake (Gippsland Waste and Resource Recovery Group)	4	3
Robert Millard (Metropolitan Waste and Resource Recovery Group)	4	4

Performance and Remuneration Committee

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

- › Chief Executive Officer recruitment, selection, performance and succession
- › executive performance and succession
- › monitoring and compliance.

In 2014–15 the committee reviewed the performance of the CEO for 2013–14 and confirmed his performance plan for 2014–15.

In 2014–15 the committee comprised three board members: Ross McCann, Lydia Wilson and Arron Wood. Table 6 shows committee members' meeting attendance. In 2014 Ross McCann replaced Lydia Wilson as Chair and Arron Wood assumed membership of the committee from July 2014.

TABLE 6: PERFORMANCE AND REMUNERATION COMMITTEE MEMBERS' MEETING ATTENDANCE.

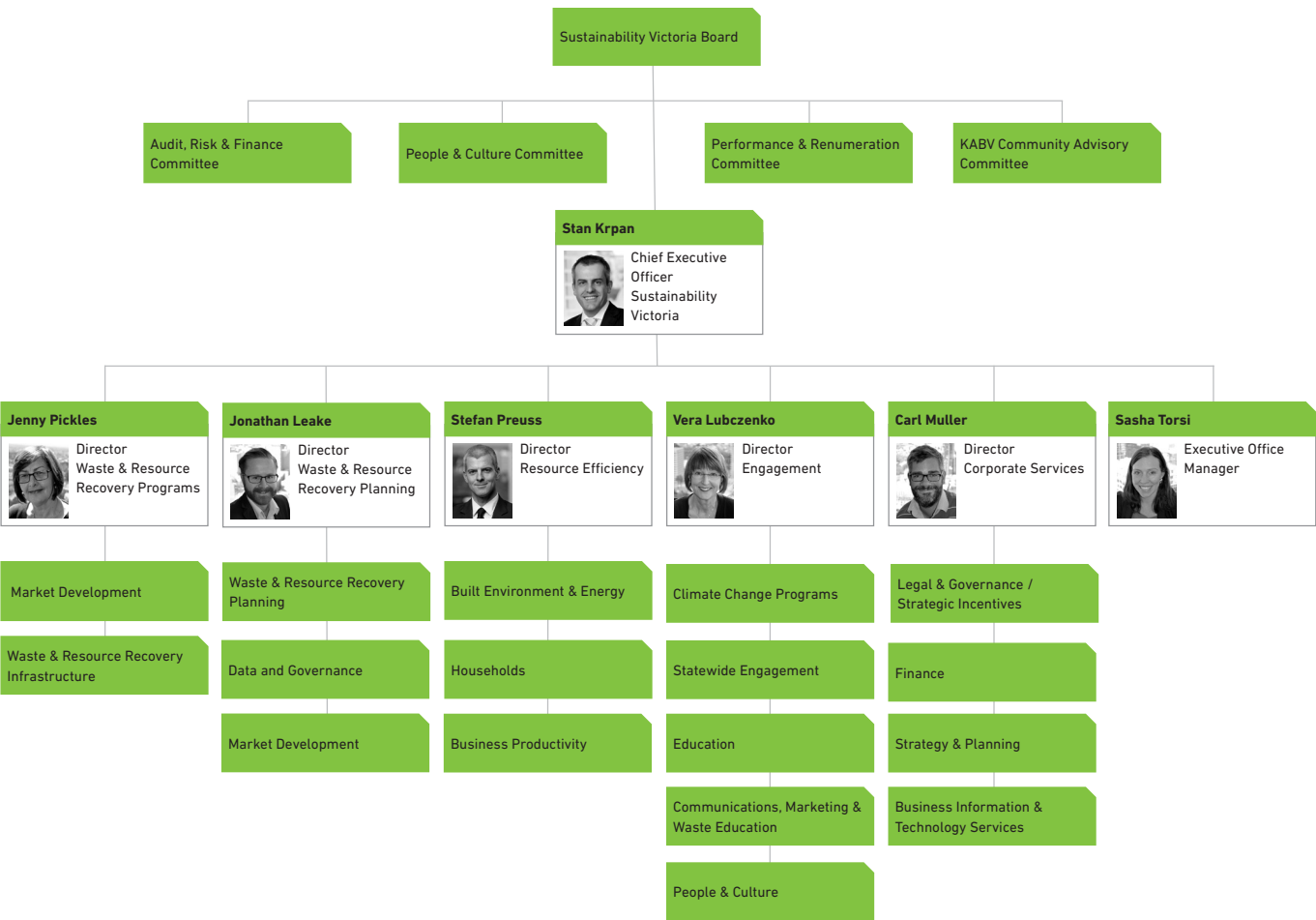
Committee member	Meetings eligible to attend	Meetings attended
Ross McCann	2	2
Lydia Wilson	2	2
Arron Wood	2	1

Part 6 Workforce

Our executive team

Throughout 2014–15, the executive team comprised the CEO, five directors and a manager, each accountable for key organisational functions, program delivery and line management.

Our executive team as at 30 June 2015 is shown below in Sustainability Victoria's organisational chart.



Executive officer data

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

Sustainability Victoria employed five executive officers in 2014–15. Responsible for ongoing functions or outputs, all executive positions are classified as fixed term and ongoing.

Breakdown of executive officers into gender

Ongoing					
	Male		Female		Vacancies
Class	Number	Variation	Number	Variation	
E0-1					
E0-2	1				
E0-3	3	1	1	1	
Total	4	1	1	1	

Note: One female executive officer exited and one male recruited

Health, safety and wellbeing statement

Sustainability Victoria 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 is an integral part of business within SV and is the responsibility of every employee. We recognise that the involvement of everyone is essential in establishing and maintaining positive, healthy and safe working environments and procedures.

Sustainability Victoria 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. We 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.
- Complying with relevant health and safety legislation and other requirements placed upon Sustainability Victoria or to which we subscribe.
- Promoting and maximising the importance of workplace wellbeing with recognition and practical intervention strategies to proactively respond to psychological health risks.
- Managing risk and ensuring consistency with the nature of workplace activities and scale of health, safety and wellbeing 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 health, safety and wellbeing training to all employees;
 - consultation to ensure all employees are included in the decision-making processes impacting on health, safety and wellbeing
 - the dissemination of health, safety and wellbeing information to all employees, contractors, labour hire employees and visitors to the workplace;
 - effective implementation of health, safety and wellbeing procedures at all SV work sites.

All employees are required to:

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

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

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 health, safety and wellbeing risk.

We encourage all employees to be aware and take care of their health, safety and wellbeing at work and beyond.

Health, safety and wellbeing performance

In 2014–15, we recorded:

- no formal written complaints
- no equal opportunity, bullying or harassment complaints
- four days of lost time due to injury

- two worker's injury claims
- absenteeism (average days lost) of (6.17) days per employee
- an average of 19.5 training hours per employee
- a decrease in staff turnover to 8.4 per cent (from 13 per cent in 2013–14).

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

Measure	KPI	2014–15	2013–14	2012–13
Incidents	Number of incidents	7	5	13
	Rate per 100 FTE	6.50	6	7.10
	Average time lost per occurrence (days)	0	0	0.4
Claims	Number of standard claims*	2	1	0
	Average cost per claim	\$2,348		
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	Per centage of internal audits/inspections conducted as planned	100%	100%	100%

* Data sourced from Victorian WorkCover Authority (VWA).

Employment and conduct principles

The Sustainability Victoria values are: Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human rights.

Sustainability Victoria has in place employment processes that ensure:

- employment decisions are based on merit;
- public sector employees are treated fairly and reasonably;
- equal employment opportunity is provided;

- human rights as set out in the Charter of Human Rights and Responsibilities are upheld; and
- public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.

In 2014–15 Sustainability Victoria employed 112 full-time equivalent (FTE) staff, compared with 110.7 in 2013–14. See below for data on workforce composition, average salaries by gender and Victorian Public Service (VPS) classification.

Our workforce*

2015	2014	2013	2012	2011
112	110.7	105.7	113	143

* 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.

June 2014– June 2015	Ongoing employees				Fixed term and casual employees
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2014	95	70	25	88.80	21.9
June 2015	89	73	16	84.10	27.9

	2015			2014		
	Ongoing employees		Fixed term and casual employees	Ongoing employees		Fixed term and casual employees
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender						
Male	31	30.8	12.9	42	41.8	6.9
Female	58	53.3	15	53	47	15
Total age						
Under 25	0	0	2	0	0	0
25–34	15	14.8	10	15	14.8	10
35–44	41	38.3	10.9	42	37.8	9.9
45–54	21	19.2	3	23	21.8	1
55–64	11	10.8	2	14	13.4	1
Over 64	1	1	0	1	1	0
Total classification						
VPS 1	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0
VPS 3	3	3	1	3	3	1
VPS 4	33	30	7	33	29.6	10
VPS 5	38	35.4	13.9	38	35.8	8.9
VPS 6	14	14.7	1	16	15.4	2
STS	1	1	0	0	0	0
Executive	0	0	5	5	5	0
Total	89	84.1	27.9	95	88.8	21.9

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.

Part 7 Other disclosures

Major contracts

No Sustainability Victoria contract was greater than \$10 million during the reporting period.

Information available on request

Information relevant to the headings listed in Financial Reporting Direction 22F 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 1992* (Vic).

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

Details of consultancies (valued at \$10,000 or greater)

In 2014–15 we paid 15 consultancies \$10,000 or greater for a total of \$442,580 (excluding GST). Details of individual consultancies are shown below.

ID	Consultancy name	Description	Start date	End date	Total approved fees \$	Expenditure 2014–15 \$	Future Expenditure \$
1	8251	Netbalance Foundation Limited		30/09/14	12,975	12,975	0
2	8613	IOD PARC Australasia Pty Ltd	29/05/15	30/10/15	13,320	1,600	11,720
3	8488 and 8575	UoM Commercial Ltd	20/02/15	30/08/15	60,560	25,738	34,822
4	8287	Nous Group Pty Ltd	08/10/14	03/11/14	28,800	28,800	0
5	8600	Hux Pty Ltd	21/05/15	20/12/15	12,500	0	12,500
6	8400	Randell Environmental Consulting Pty Ltd	05/11/14	02/11/15	15,000	11,636	3,363
7	8564	Hyder Consulting Pty Ltd	07/04/15	04/05/15	19,680	19,680	0
8	8469	DJR Environmental Pty Ltd	09/01/15	27/02/15	20,000	20,000	0

	ID	Consultancy name	Description	Start date	End date	Total approved fees \$	Expenditure 2014–15 \$	Future Expenditure \$
9	8467	Roberts Evaluation Pty Ltd	Development and delivery of the Victorian Litter Action Alliance (VLAA) stakeholder survey 2012–2014.	08/01/15	31/03/15	26,500	26,500	0
10	8331	Marsden Jacob Associates Pty Ltd as trustee	Evaluation reports for ResourceSmart Schools and Smarter Resources Smarter Business – Energy and Materials.	02/10/14	19/12/14	29,958	29,958	0
11	8226	Hyder Consulting Pty Ltd	Options and advice to develop a collaborative procurement support function for WRRGs and local governments	04/08/14	12/09/14	44,828	44,828	0
12	8508	Sustainable Resource Use Pty Ltd	Survey of regional reprocessors and material recovery facilities operators, and analysing waste and resource recovery data..	10/02/15	15/06/15	46,815	39,235	7,580
13	8594	Expert Group as The trustee for Brodribb Kent	Research and cost-benefit modelling of increasing energy efficiency of electric fans.	15/05/15	19/08/15	49,579	25,780	23,798
14	8198	IOD PARC Australasia Pty Ltd	Beyond Waste Fund evaluation to measure the impact of the program and identify the key learnings to inform communications and future program development in waste.	22/07/14	27/10/14	56,100	56,100	0
15	8242	Hyder Consulting Pty Ltd	Research to help develop a statewide waste education strategy including best practice approaches for waste and public education.	27/08/14	07/01/15	105,750	99,750	6,000

Details of consultancies (valued at less than \$10,000)

In 2014–15, there were two consultancies engaged during the year, where the total fees payable to the consultants was less than \$10,000. The total expenditure incurred during 2014–15 in relation to these consultancies was \$12,765 (excl. GST).

Government advertising expenditure

Sustainability Victoria's expenditure in the 2014–15 reporting period on government campaign advertising did not exceed \$150,000.

Part 8 Legislative compliance

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 1982

This Act gives the public a right of access to our documents. One document request was received this year from a member of the public and full access was granted. To access documents write to the Freedom of Information Officer, clearly identifying the document you seek and accompanied by the \$27.20 application fee (this can sometimes be waived).

Address your letter to:

Ms Lilli Owens-Walton
Freedom of Information Officer
Sustainability Victoria
Level 28
50 Lonsdale Street
Melbourne Victoria 3000

Telephone (03) 8626 8700
Facsimile (03) 9663 1007
Email foi@sustainability.vic.gov.au

You can also lodge at www.foi.vic.gov.au. Charges may apply once documents have been processed and a decision on access is made. This covers things like photocopying, and search and retrieval.

Visit www.foi.vic.gov.au for more.

Privacy and Data Protection Act 2014

We collect and use customer information according to our Privacy Statement and the *Privacy and Data Protection Act 2014* (Vic). To get a copy of this call (03) 8626 8700, email privacy@sustainability.vic.gov.au or visit www.sustainability.vic.gov.au. In 2014–15 we received no complaints of privacy breaches.

National Competition Policy

According to the National Competition Policy legislation can't restrict competition unless:

- › its community benefits outweigh the costs
- › its objectives can only be achieved by restricting competition.

If a government business competes, or even potentially competes with a private business, any government advantage must be removed if it's not in the public interest. Government businesses are required to cost and price as if they were privately owned. Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives and focuses on efficiency in service.

We continue to comply with the requirements of the National Competition Policy.

Victorian Industry Participation Policy

In October 2003 the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003* (Vic), requiring 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.

We didn't commence or complete any contracts relevant to VIPP this year.

In 2014–15, we provided five grants for projects that met the VIPP threshold, all of which were in regional Victoria. These grants were not registered with ICN as required by the VIPP guidelines but, based on advice received, we will ensure that future grants where the total project cost is over the threshold are registered as required by the VIPP guidelines.

Contract ID	Contract title	Stakeholder name	Date	Value of grant	Total project cost	VIPP plans
8499	Rural & Regional Landfill Support: Glenelg Shire Council – Portland Landfill	Glenelg Shire Council	04/05/15	500,000	4,500,000	Yes
7836	Kerbside organics procurement in City of Greater Bendigo	Greater Bendigo City Council	28/07/14	500,000	3,000,000	No
8387	Brooklyn Materials Recovery Facility	Action Recovery and Recycling Pty. Ltd.	30/10/14	500,000	1,900,000	No
8416	Community Sustainability Infrastructure Fund – LCD Recycling Plant	PGM Refiners Pty Ltd	08/01/15	470,000	1,439,305	No
8496	Kia-Ora Piggery Waste Food Value Adding and Anaerobic Waste to Energy	Kia-Ora Piggery Pty. Ltd.	19/03/15	380,000	1,160,000	No

Compliance with the Protected Disclosures Act 2012

The *Protected Disclosure Act 2012* (Vic) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

Sustainability Victoria is a 'public body' for the purposes of the Act.

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'protected disclosure'?

You can make a protected disclosure about us or our board members, officers or employees by contacting IBAC on the contact details provided below. Please note that Sustainability Victoria is not able to receive protected disclosures.

How can I access Sustainability Victoria's procedures for the protection of persons from detrimental action?

We have established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about us or our employees. You can access our procedures on our website at: www.sustainability.vic.gov.au.

Contacts

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street,
Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information submitted to DataVic (all data tables) are to be included in this annual report and made available at <http://www.data.vic.gov.au/> in machine-readable format. This year there were no data tables submitted to DataVic.

We are working towards central storage of our data to give access to standard and bespoke reports from the full range of time-series waste data we have available. Once this system is in place, non-confidential data will be made available to the public in an open-access format, on a range of platforms, including that offered by DataVic.

Additional information disclosure

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, we have retained details in respect of the items listed below and these are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- a. Details of our publications and how you can get them; you can subscribe to our email newsletters and alerts and Schools News via our website <http://www.sustainability.vic.gov.au/www/html/3620-subscribe.asp>.
- b. Details of any major external reviews of our operations.
- c. Details of major research and development activities undertaken by us.
- d. Details of overseas visits, including a summary of the objectives and outcomes of each visit.
- e. A statement on our industrial relations and details of time lost through industrial accidents and disputes.
- f. A statement declaring that all pecuniary interests have been duly completed by all relevant officers
- g. Details of our major promotional, public relations and marketing activities to build community awareness of us and our services;.
- h. Details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Ms Lilli Owens-Walton
Sustainability Victoria
Phone: (03) 8626 8700
Email: foi@sustainability.vic.gov.au

Additional information included in annual report

Details in respect of the following items have been included in this annual report, on the pages indicated below:

- i. Assessments and measures undertaken to improve the occupational health and safety of employees (on page 38–39).
- j. A list of our major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on page 33–35).

Information that is not applicable to Sustainability Victoria

The following information is not relevant for the reasons set out below:

- k. A declaration of shares held by senior officers (no shares have ever been issued in Sustainability Victoria).

Part 9 Annual financial statements

Comprehensive operating statement

For the financial year ended 30 June 2015

		2015 \$	2014 \$
Continuing operations	Notes		
Income from transactions			
Landfill levy	2	18,138,945	17,743,739
Government grants	2	13,775,482	13,847,745
Other income from government	2	695,435	1,591,786
Interest	2	706,607	855,896
Other income	2	1,864,888	1,228,026
Total income from transactions		35,181,357	35,267,192
Expenses from transactions			
Program expenses	3(a)	(20,143,427)	(21,154,939)
Employee benefits	3(b)	(13,582,301)	(12,396,412)
Depreciation	3(c)	(273,856)	(285,413)
Occupancy costs		(1,278,769)	(1,290,314)
Telecommunication & IT	3(d)	(2,977,902)	(4,022,772)
Finance costs	3(e)	(12,053)	(13,080)
Other operating expenses	3(f)	(2,066,751)	(5,229,727)
Total expenses from transactions		(40,335,059)	(44,392,657)
Net result from transactions (net operating balance)		(5,153,702)	(9,125,465)
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	4(a)	3,589	393,560
Net gain / (loss) from other economic flows	4(b)	(81,058)	(120,751)
Total other economic flows included in net result		(77,469)	272,809
Net result from continuing operations		(5,231,171)	(8,852,656)
Comprehensive result		(5,231,171)	(8,852,656)

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

Balance sheet

As at 30 June 2015

	Notes	2015 \$	2014 \$
Assets			
Financial assets			
Cash & deposits	19 (a)	25,227,830	28,458,778
Receivables	5	4,994,324	7,107,407
Total financial assets		30,222,154	35,566,185
Non-financial assets			
Property, plant & equipment	6	440,396	678,357
Other non-financial assets	7	197,276	194,831
Intangibles	9	309,621	-
Total non-financial assets		947,293	873,188
Total assets		31,169,447	36,439,373
Liabilities			
Payables	10	3,339,195	3,468,262
Borrowings	11	171,676	215,967
Provisions	12	2,678,756	2,544,153
Total liabilities		6,189,627	6,228,382
Net assets		24,979,820	30,210,991
Equity			
Accumulated surplus / (deficit)		(1,068,986)	4,162,185
Contributed capital		26,048,806	26,048,806
Total equity		24,979,820	30,210,991
Commitments for expenditure	15		
Contingent assets and contingent liabilities	18		

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

Statement of changes in equity

For the financial year ended 30 June 2015

	Notes	Accumulated surplus / deficit) \$	Contributions by owner \$	Total \$
Balance at 1 July 2013		13,014,841	26,048,806	39,063,647
Net result for the year		(8,852,656)	-	(8,852,656)
Balance at 30 June 2014		4,162,185	26,048,806	30,210,991
Net result for the year		(5,231,171)	-	(5,231,171)
Balance at 30 June 2015		(1,068,986)	26,048,806	24,979,820

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 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts			
Receipts from government grants		11,753,030	14,331,136
Receipts from government – other		988,955	1,618,627
Receipts from landfill levy		22,574,880	19,326,714
Other receipts		2,063,086	1,169,208
Interest received		734,876	828,222
Goods and Services Tax recovered from the ATO		3,939,821	3,603,350
Total receipts		42,054,648	40,877,257
Payments			
Payments to program recipients		(22,491,167)	(21,477,456)
Payments to suppliers and employees		(22,396,159)	(29,848,301)
Interest and other costs of finance paid		(12,053)	(13,080)
Total payments		(44,899,379)	(51,338,837)
Net cash flows from / (used in) operating activities	19 (b)	(2,844,731)	(10,461,580)
Cash flows from investing activities			
Payments for property, plant & equipment		(345,516)	(433,986)
Proceeds from disposal of property, plant & equipment		3,589	2,182
Proceeds from sale of assets held for sale		-	2,682,540
Net cash flows from / (used in) investing activities		(341,927)	2,250,736
Cash flows from financing activities			
Proceeds from finance leases		-	90,726
Repayment of finance leases		(44,290)	(54,271)
Net cash flows from / (used in) financing activities		(44,290)	36,455
Net increase in cash & cash equivalents		(3,230,948)	(8,174,389)
Cash & cash equivalents at the beginning of the financial year		28,458,778	36,633,167
Cash & cash equivalents at the end of the financial year	19 (a)	25,227,830	28,458,778

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

Part 10 Notes to the financial statements

Note 1. Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Sustainability Victoria (SV) for the financial year ending 30 June 2015. The purpose of the report is to provide users with information about SV's stewardship of resources entrusted to it.

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

(A) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). 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*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and 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 reported.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 24.

These annual financial statements were authorised for issue by the Interim Chairman of SV, Chief Executive Officer and Chief Financial Officer on 18 August 2015.

(B) Going concern

Although the financial performance in 2014–15 was a deficit result, government priority programs were funded from existing cash balances. SV has in place a long-term financial plan which seeks to ensure the organisation's financial sustainability. Whilst SV will maintain an adequate financial buffer in outward years, SV will re-consider our operating model in early 2016, implementing the necessary changes once SV's role in climate change is confirmed.

SV maintained a minimum working capital of \$5.5 million in 2015 to ensure the organisation is able to meet its financial commitments. With confirmed revenue reducing in the coming years, SV's business planning applies cash balances to projects (while maintaining a working capital minimum of \$5.5 million), which is expected to be expended on government priorities by 30 June 2017.

(C) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made 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.

Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- › the fair value of plant and equipment, (refer to Note 1 (K));
- › superannuation expense (refer to Note 1 (H));
- › actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of claims, future salary movements and future discount rates (refer to Note 1 (L)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention.

Consistent with AASB 13 *Fair Value Measurement*, SV determines the policies and procedures for both recurring fair value measurements such as plant and equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- › Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- › Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- › Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, SV have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, SV determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(D) Reporting entity

The financial statements cover SV as an individual reporting entity.

Its principal address is:

Level 28
Urban Workshop
50 Lonsdale Street
Melbourne VIC 3000

The financial statements include all the controlled activities of SV.

A description of the nature of SV's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

Objectives and funding

SV's objectives are to facilitate and promote environmental sustainability in the use of resources. It does this by helping households, businesses and groups within the broader community adopt more sustainable practices to ensure a healthy environment, community and economy, now and for the future.

SV is funded predominantly from the government via the Environment Protection (Distribution of Landfill Levy) Regulations.

Outputs of SV

Information about our output activities, and the expenses, income, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule (Note 2). Information about expenses, income, assets and liabilities administered by SV are given in the schedule of administered expenses and income and the schedule of administered assets and liabilities (see Note 3).

(E) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises two components, being 'net result from transactions' (or termed as 'net operating balance') and 'other economic flows included in net result' that represents the net results.

The net result is equivalent to profit or loss derived in accordance with AASs.

'Other economic flows' are changes arising from market measurements. They include:

- gains and losses from disposals of non-financial assets
- gains and losses from disposals of non-financial assets held for sale
- remeasurement arising from defined benefit superannuation plans.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

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 are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if we do not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

The net result is equivalent to profit or loss derived in accordance with AASs.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, 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 non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

(F) Changes in accounting policies

Subsequent to the 2013-14 reporting period, the following new and revised standards have been adopted for the first time in the current period with their financial impacts disclosed below.

AASB 10 Consolidated Financial Statements

AASB 10 provides a new approach to determine whether an entity has control over an entity, and therefore must present consolidated financial statements. The new approach requires the satisfaction of all three criteria for control to exist over an equity for financial reporting purposes:

- (a) The investor has power over the investee.
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee.
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the new criteria prescribed in AASB 10, SV have reviewed our existing arrangements and determined that we do not have control over any entities.

AASB 11 Joint Arrangements

In accordance with AASB 11, there are two types of joint arrangements, i.e. joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint ventures is no longer permitted.

SV has reviewed its existing contractual arrangements with other entities and has concluded that they do not give rise to any joint arrangements.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

SV has reviewed existing contractual arrangements with other entities and has concluded that we do not have interests in other entities.

AASB 2015-7 Amendments to Australian Accounting Standards

The Australian Accounting Standards Board issued an amending accounting standard AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* on 13 July 2015. In accordance with FRD 7A Early Adoption of Authoritative Accounting Pronouncements, the Minister for Finance has approved the option for Victorian not-for-profit public sector entities to early adoption the amending accounting standard to enable them to benefit from some limited exemption in relation to fair value disclosures for the 2014–15 reporting period. The limited exemption is available to those entities whose assets are held primarily for their current service potential rather than to generate net cash inflows.

SV meets the criteria specified in AASB 2015-7 to benefit from the reduced disclosure requirements, so it has chosen to early adoption of the amendments to Fair Value Disclosure of Not for Profit Public Sector Entities.

(G) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Revenue

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

Revenue from the landfill levy is accrued as it is earned and brought to account in the period to which it relates, based on actual receipts during the year and the accrual amount defined in the Environment Protection (Distribution of Landfill Levy) Regulations 2013.

Interest

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

(H) Expenses from transactions

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

Employee expenses

Refer to Note 1 (L) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in its annual financial statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans.

Depreciation

All plant and equipment that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Motor vehicles have always been depreciated over 3 years and there has been no change in policy for depreciation of any class of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following useful lives of assets are used in the calculation of depreciation for current and prior years.

Asset	Useful life
Office furniture & equipment	5 to 10 years
Computer equipment	3 years
Motor vehicles	3 years
Intangibles	5 years

Intangible produced assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets with indefinite useful lives are not depreciated or amortised, but are tested annually for impairment. This is the first year that intangibles have been recognised, and is currently work in progress and has not been amortised.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to Note 24 for an explanation of interest expense items.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include the following:

Program expenses

Expenditure incurred for each of the operating areas of SV has been disclosed in Note 3(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 per centage of the contract performed as at the reporting date, with the unperformed component of the contract included as part of Note 15 Committed Expenditure.

(I) Other economic flows included in the net result

Other economic flows are changes in the volume or value of an asset or liability that does not result from transactions.

Net gain/(loss) on non-financial assets

Net gain/(loss) on disposal of non-financial assets and liabilities includes realised and unrealised gains and losses as follows.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting the proceeds from the carrying value of the asset at the time.

Amortisation of non-produced intangible assets

Intangible non-produced assets with finite lives are amortised as another economic flow on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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 (LSL) liability due to changes in the bond interest rates.

(J) Financial assets**Cash and deposits**

Cash and deposits recognised on the balance sheet 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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

Receivables

Receivables consist of contractual receivables, which include mainly debtors in relation to goods and services, accrued investment income and statutory receivables, which include 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.

Impairment of financial assets

At the end of each reporting period, SV assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

(K) Non-financial assets**Non-financial physical 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.

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(M)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost.

For the accounting policy on impairment of non-financial physical assets, refer to impairment on non-financial assets under Note 1(J) *Impairment of non-financial assets*.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 6 *Property, plant and equipment*.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are initially recognised at fair value. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to SV. Intangible assets with finite useful lives are amortised for the current and prior years on a straight-line basis over five years.

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

Other non-financial assets**Prepayments**

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(L) Liabilities**Payables**

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

Borrowings

All interest-bearing liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(M) *Leases*).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method.

Provisions

Provisions are recognised when SV has a present obligation, where the future sacrifice of economic benefits is probable, and the amount of the provisions can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and LSL for services rendered to the reporting date.

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

Liabilities for wages and salaries, including non-monetary benefits annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', where SV does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- nominal value – component that SV expects to wholly settle within 12 months; or
- present value – component that SV does not expect to wholly settle within 12 months.

(ii) Long-service leave

Liability for LSL is recognised in the provision for employee benefits.

Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where SV does not expect to settle the liability within 12 months, because we 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:

- nominal value – component that SV expects to settle within 12 months
- present value – component that SV does not expect to settle within 12 months.

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.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes in bond interest rates, for which it is then recognised in the net result as another economic flow (refer to Note 1(l)).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. SV 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 the end of reporting period are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs such as payroll tax, and workers compensation are recognised separately from the provision for employee benefits.

(M) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

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

Operating leases

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

(N) Equity

Contributions by owners

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners 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. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

(O) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer Note 15 *Commitments for expenditure*) at their nominal value and inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(P) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 18 *Contingent assets and contingent liabilities*) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(Q) Accounting for the goods and services tax

Income, expenses and assets are recognised net of the amount of associated goods and services tax (GST), except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1 (P) and Note 1 (Q)).

(R) Australian Accounting Standards issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2015 reporting period. DTF assesses the impact of all these new standards and advises SV of their applicability and early adoption where applicable. As at 30 June 2015, the following standards and interpretations (applicable to SV) had been issued but were not mandatory for the financial year ended 30 June 2015. SV has not chosen early adoption these standards.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on authority financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to customer.	01/01/17	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 2014-4 <i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (AASB 116 and AASB 138)</i>	Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to: – establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; – prohibit the use of revenue-based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.	01/01/16	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	01/01/18	The assessment has identified that the financial impact of available-for-sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB9, it will continue to be monitored and assessed.
AASB 2014-1 <i>Amendment to Australian Accounting Standards (Part E Financial Instruments)</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	01/01/18	This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements.

Note 2. Income from transactions

	2015 \$	2014 \$
Landfill levy	18,138,945	17,743,739
Government grants		
State government departments and agencies:		
Sustainability Fund grants to Sustainability Victoria	9,775,482	12,847,745
Government initiatives funding	4,000,000	1,000,000
Total government grants	13,775,482	13,847,745
Other income from government		
Illegal dumping	-	100,000
Litter strategy	-	775,000
Sustainability Fund – management fee	600,000	650,000
Victorian Property Fund	-	66,786
Secondment fees	95,435	-
Total other income from government	695,435	1,591,786
Interest		
Interest on bank deposits	706,607	855,896
Total interest	706,607	855,896
Other income		
FirstRate certificates and accreditation	1,313,650	199,319
Program contributions	551,238	1,028,707
Total other income	1,864,888	1,228,026
Total income from transactions	35,181,357	35,267,192

Note 3. Expenses from transactions

	2015 \$	2014 \$
(a) Program expenses		
Integrated waste management	10,705,820	11,740,281
Resource efficiency	5,757,915	5,359,060
Engagement (includes all litter and schools programs)	3,679,692	4,055,598
Total program expenses	20,143,427	21,154,939
(b) Employee expenses		
Salaries and wages, annual leave and long-service leave	12,489,562	11,443,666
Post-employment benefits		
Defined contribution superannuation expense	1,038,976	911,541
Defined benefits superannuation expense	53,763	41,205
Total employee expenses	13,582,301	12,396,412
(c) Depreciation		
Plant, equipment & vehicles	273,856	285,413
Total depreciation	273,856	285,413
(d) Telecommunication & IT		
Telecommunication & IT	2,368,737	2,918,429
AuSSI Vic data management	98,928	568,964
FirstRate 5 – House energy rating program	510,237	535,379
Total telecommunication & IT ⁽ⁱ⁾	2,977,902	4,022,772
Note: (i) IT reforms implemented during 2015 have resulted in decreased costs.		
(e) Finance costs		
Interest on finance leases	12,053	13,080
Total finance costs	12,053	13,080
(f) Other operating expenses		
Other operational costs	2,066,751	2,547,187
Budget savings ⁽ⁱ⁾	-	2,682,540
Total other operating expenses	2,066,751	5,229,727

Note: (i) Budget savings are funds returned to the Department of Environment, Land, Water and Planning. No funds were returned in 2015.

Note 4. Other economic flows included in net result

	2015 \$	2014 \$
(a) Net gain/(loss) on non-financial assets		
Net gain on disposal of property, plant & equipment	3,589	1,823
Net gain on disposal of assets held-for-sale ⁽ⁱ⁾	-	391,737
Total net gain/(loss) on non-financial assets	3,589	393,560
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of employee benefits ⁽ⁱⁱ⁾	(81,058)	(120,751)
Total net gain/(loss) from other economic flows	(81,058)	(120,751)

Note: (i) Profit on sale of Renewable Energy Certificates. (ii) Revaluation gain/(loss) due to changes in bond rates.

Note 5. Receivables

	2015 \$	2014 \$
Current receivables		
Contractual		
Sale of goods and services	91,007	67,700
Other receivables	15,848	15,233
Accrued investment income	79,324	107,593
Amounts owing from Victorian Government ⁽ⁱ⁾	4,173,048	1,207,000
Total Contractual	4,359,227	1,397,526
Statutory		
Accrued landfill levy ⁽ⁱⁱ⁾	-	4,435,935
GST receivable	635,097	1,273,946
Total statutory	635,097	5,709,881
Total current receivables	4,994,324	7,107,407
Total receivables	4,994,324	7,107,407

Notes: (i) Funds due from the Department of Environment, Land, Water and Planning for government priority programs.

(ii) All monies due for landfill levy in 2015 were paid by 30 June 2015.

Note 6. Property, plant and equipment**TABLE 6.1: GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION**

	2015 \$	2014 \$
Office furniture & equipment		
At fair value	578,117	578,117
Less: accumulated depreciation	(497,832)	(461,876)
	80,285	116,241
Computer equipment		
At fair value ⁽ⁱ⁾	690,514	1,095,180
Less: accumulated depreciation	(499,101)	(746,766)
	191,413	348,414
Motor vehicles – leased		
At fair value	246,983	246,983
Less: accumulated depreciation	(78,285)	(33,281)
	168,698	213,702
Summary	440,396	678,357

Note: (i) Computer equipment costing \$440,561 with no written down value was disposed of in 2015.

TABLE 6.2: MOVEMENTS IN CARRYING AMOUNTS

Carrying amount 2015	Office furniture & equipment \$	Computer equipment \$	Motor vehicles leased \$	Total \$
Opening balance	116,241	348,414	213,702	678,357
Additions	-	35,895	-	35,895
Depreciation	(35,956)	(192,896)	(45,004)	(273,856)
Disposals	-	-	-	-
Closing balance	80,285	191,413	168,698	440,396
Carrying amount 2014	Office furniture & equipment \$	Computer equipment \$	Motor vehicles leased \$	Total \$
Opening balance	84,579	367,121	179,582	631,282
Additions	69,583	175,022	189,381	433,986
Depreciation	(37,562)	(193,729)	(54,122)	(285,413)
Disposals	(359)	-	(101,139)	(101,498)
Closing balance	116,241	348,414	213,702	678,357

TABLE 6.3: AGGREGATE DEPRECIATION RECOGNISED AS AN EXPENSE DURING THE YEAR

	2015 \$	2014 \$
Office furniture & equipment	35,956	37,562
Computer equipment	192,896	193,729
Motor vehicles – leased	45,004	54,122
	273,856	285,413

TABLE 6.4 FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

Fair value measurement at end of reporting period using:				
	Carrying amount as at 30 June 2015 \$	Level 1 ⁽ⁱ⁾ \$	Level 2 ⁽ⁱ⁾ \$	Level 3 ⁽ⁱ⁾ \$
Office furniture and equipment at fair value	80,285	-	-	80,285
Computer equipment at fair value	191,413	-	-	191,413
Total property, plant and equipment	271,698	-	-	271,698
	Carrying amount as at 30 June 2014 \$			
Office furniture and equipment at fair value	116,241	-	-	116,241
Computer equipment at fair value	348,414	-	-	348,414
Total property, plant and equipment	464,655	-	-	464,655

(i) Classified in accordance with the fair value hierarchy, see Note 1 (C) Accounting estimates.

There have been no transfers between levels during the period.

Office furniture and equipment

Office furniture and equipment is held at fair value. When office furniture and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.

Computer equipment

Computer equipment is held at fair value. When computer equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.

TABLE 6.5: RECONCILIATION OF LEVEL 3 FAIR VALUE

	2015		2014	
	Office furniture & equipment \$	Computer equipment \$	Office furniture & equipment \$	Computer equipment \$
Opening balance	116,241	348,414	84,579	367,121
Purchases (sales)	-	35,895	69,583	175,022
Gains or losses recognised in net result	-	-	(359)	-
Depreciation	(35,956)	(192,896)	(37,562)	(193,729)
Subtotal	80,285	191,413	116,241	348,414
Closing balance	80,285	191,413	116,241	348,414

TABLE 6.6: DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

2015	Valuation technique	Significant unobservable inputs
Office furniture & equipment	Depreciated replacement cost	Cost per unit
Computer equipment	Depreciated replacement cost	Cost per unit
2014	Valuation technique	Significant unobservable inputs
Office furniture & equipment	Depreciated replacement cost	Cost per unit
Computer equipment	Depreciated replacement cost	Cost per unit

Note 7. Other non-financial assets

	2015 \$	2014 \$
Current other assets		
Prepayments	197,276	194,831
Total current other assets	197,276	194,831
Total other non-financial assets	197,276	194,831

Note 8. Non-financial assets held for sale

	2015 \$	2014 \$
Renewable energy certificates		
Opening balance as at 1 July	-	2,290,803
Disposals	-	(2,290,803)
Closing balance as at 30 June	-	-

Note 9. Intangibles

	2015 \$	2014 \$
Gross carrying amount		
Opening balance	-	-
Additions from IT development	309,621	-
Closing balance	309,621	-
Accumulated depreciation, amortisation and impairment		
Opening balance		
Amortisation expense ⁽ⁱ⁾	-	-
Closing balance	-	-
Net book value at end of financial year	309,621	-

Note: (i) Amortisation expense is included in the line item 'depreciation and amortisation expense' in the comprehensive operating statement.

Significant intangible assets

SV has capitalised software expenditure for the development of our CRM. The development is expected to be completed and ready for use during 2015–16.

Note 10. Payables

	2015 \$	2014 \$
Current payables		
Contractual		
Trade creditors	309,380	571,710
Accrued project grants	2,290,465	2,326,739
Accrued expenses	203,766	208,525
Other payables ⁽ⁱ⁾	206,034	-
	3,009,645	3,106,974
Statutory		
GST payable	267,369	305,505
FBT payable	21,057	19,983
Other taxes payable	41,124	35,800
	329,550	361,288
Total current payables	3,339,195	3,468,262
Total payables	3,339,195	3,468,262

Note: (i) Refundable receipts for seconded employees with Department of Economic Development, Jobs, Transport and Resources.

(a) Maturity analysis of contractual payables

Please refer to Table 16.3 in Note 16 for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 16 for the nature and extent of risks arising from contractual payables.

Note 11. Borrowings

	2015 \$	2014 \$
Current borrowings		
Finance lease liabilities: ⁽ⁱ⁾	68,959	44,291
Total current borrowings	68,959	44,291
Non-current borrowings		
Finance lease liabilities: ⁽ⁱ⁾	102,717	171,676
Total non-current borrowings	102,717	171,676
Total borrowings	171,676	215,967

Note: (i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of borrowings

Please refer to Table 16.3 in Note 16 for the maturity analysis of borrowings.

(c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 16 for the nature and extent of risks arising from borrowings.

Note 12. Provisions

	2015 \$	2014 \$
Current provisions		
Employee benefits (Note 12(a)) ⁽ⁱ⁾		
Annual leave (Note 12(a)):		
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾	664,544	606,655
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	303,962	313,146
Long service leave (Note 12(a)):		
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾	649,500	672,007
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	249,148	299,860
	1,867,154	1,891,668
Provisions for on-costs (Note 12(a) and Note 12(b)):		
Unconditional and expected to settle within 12 months ⁽ⁱⁱ⁾	182,539	187,717
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	76,273	90,216
	258,812	277,933
Total current provisions	2,125,966	2,169,601
Non-current provisions		
Employee benefits (Note 12(a)) ⁽ⁱ⁾	483,953	323,465
On-costs (Note 12(a) and Note 12(b)):	68,837	51,087
Total non-current provisions	552,790	374,552
Total provisions	2,678,756	2,544,153

Notes: (i) Employee benefits consist of annual leave and long-service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(ii) Amounts are measured at present values.

(a) Employee benefits and on-costs ⁽ⁱ⁾

	2015 \$	2014 \$
Current employee benefits		
Annual leave	968,506	919,801
Long-service leave	898,648	971,867
	1,867,154	1,891,668
Non-current employee benefits		
Long-service leave	483,953	323,465
Total employee benefits	2,351,107	2,215,133
Current on-costs	258,813	277,933
Non-current on-costs	68,836	51,087
Total on-costs	327,649	329,020
Total employee benefits and on-costs	2,678,756	2,544,153

Note: (i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

(b) Movement in on-costs

Opening balance 1 July 2014	329,020
Additional provisions recognised	144,890
Additions due to transfer in	4,081
Reductions arising from payments / other sacrifices of future economic benefit	(149,273)
Reductions resulting from re-measurement or settlement without cost	(1,310)
Unwind of discount and effect of changes in the discount rate	241
Reductions due to transfer out	-
Closing balance 30 June 2015	327,649
Current	258,813
Non-current	68,836
Total on-costs	327,649

Note 13. Superannuation

Employees of SV are entitled to receive superannuation benefits and the entity contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

SV does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the state's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of SV.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by SV are as follows.

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2015 \$	2014 \$	2015 \$	2014 \$
Defined benefit plans: ⁽ⁱ⁾				
Emergency Services and State Super Fund	53,763	41,205	-	-
Defined contribution plans:				
VicSuper	563,227	517,694	-	-
Other	475,749	393,847	14,973	4,448
	1,092,739	952,746	14,973	4,448

Notes: (i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Note 14. Leases**(a) Disclosures for lessees – finance lease**

The finance leases entered into by SV relate to motor vehicles through VicFleet with lease terms of three years. SV has options to purchase the vehicles at the conclusion of the lease agreements.

The following commitments have been contracted for by SV.

	Minimum future lease payments ⁽ⁱ⁾		Present value of minimum future lease payments	
	2015 \$	2014 \$	2015 \$	2014 \$
Not longer than one year	78,055	56,344	68,959	44,291
Longer than one year but not longer than five years	104,860	182,915	102,717	171,676
Minimum future lease payment	182,915	239,259	171,676	215,967
Less future finance charges	11,239	23,292	-	-
Present value of minimum lease payments	171,676	215,967	171,676	215,967
Included in the financial statements as:				
Current borrowings lease liabilities (Note 11)			68,959	44,291
Non-current borrowings lease liabilities (Note 11)			102,717	171,676
Total			171,676	215,967

Notes: (i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

(b) Disclosure for lessees-operating leases

Refer to Note 15(b)

Note 15. Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements:

(a) Commitments for expenditure (i)

	2015 \$	2014 \$
	Nominal value	Nominal value
Operating and lease commitments		
Office accommodation	7,266,362	8,288,276
Total operating and lease commitments	7,266,362	8,288,276
Other commitments		-
Contracts	18,716,662	21,727,213
Total other commitments	18,716,662	21,727,213
Total commitments payable	25,983,024	30,015,489

Note: (i) The figures presented are inclusive of GST.

(b) Commitments payable

Nominal values	2015 \$	2014 \$
Operating and lease commitments payable ⁽ⁱ⁾		
Less than one year	1,062,790	1,021,914
Longer than one year but not longer than five years	4,693,626	4,513,102
Five years or more	1,509,946	2,753,260
Total operating and lease commitments	7,266,362	8,288,276
Other commitments payable ⁽ⁱⁱ⁾		
(i) not later than one year – tied funding	7,778,351	8,706,724
(i) not later than one year – other funding	9,379,061	8,607,649
(ii) later than one year but not later than five years – tied funding	1,414,600	503,552
(ii) later than one year but not later than five years – other funding	144,650	3,909,288
Total other commitments payable	18,716,662	21,727,213
Total commitments (inclusive of GST)	25,983,024	30,015,489
Less GST recoverable from the Australian Taxation Office	2,362,093	2,728,681
Total commitments (exclusive of GST)	23,620,931	27,286,808

Notes: (i) Operating lease commitments relate to the CBD office accommodation tenanted by SV located at The Urban Workshop, Level 28, 50 Lonsdale Street, Melbourne, Victoria. The lease terms are 15 years (lease expires 31 August 2021) with an option to extend a further five years.

(ii) Other commitments are entered into through 281 contracts by SV as at the reporting date (406 contracts at 30 June 2014) but not included in the balance sheet and are carried forward into the 2015–16 financial year and beyond.

Note 16. Financial Instruments**(a) Financial risk management objectives and policies**

SV's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- finance lease liabilities payable

Details of the significant accounting policies and methods adopted, including the criteria for the recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage SV's financial risks in the government policy parameters.

SV's main financial risks include credit risk, liquidity risk and interest rate risk. SV manages these financial risks in accordance with its financial risk management policy.

SV uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the SV Board.

The carrying amounts of SV's contractual financial assets and financial liabilities by category are disclosed in Table 16.1 below.

TABLE 16.1: CATEGORISATION OF FINANCIAL INSTRUMENTS

Category		Note	2015 \$	2014 \$
Contractual financial assets				
Receivables	Loans and Receivables	5	4,359,227	1,397,526
Total Contractual financial assets			4,359,227	1,397,526
Contractual financial liabilities				
Payables	Amortised cost	10	3,009,645	3,106,974
Finance Lease Liabilities	Amortised cost	11,14	171,676	215,967
Total Contractual financial liabilities			3,181,321	3,322,941

(b) Credit risk

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

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

TABLE 16.2: AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

2015	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	91,007	69,007	22,000	-	-
Accrued investment income	79,324	79,324	-	-	-
Amounts owing from Victorian Government	4,173,048	4,153,959	-	-	19,089
Other debtors	15,848		3,316	5,524	7,008
Total	4,359,227	4,302,290	25,316	5,524	26,097
2014					
Receivables:					
Trade debtors	67,700	62,700	5,000	-	-
Accrued investment income	107,593	107,593	-	-	-
Amounts owing from Victorian Government	1,207,000	1,207,000	-	-	-
Other debtors	15,233	-	3,246	4,848	7,139
Total	1,397,526	1,377,293	8,246	4,848	7,139

(c) Liquidity risk

Liquidity risk arises when SV is unable to meet our financial obligations as they fall due. SV operates under the government fair payments policy of settling financial obligations within 30 days. Ongoing 13 months cash flow forecasts are prepared to manage risk through monitoring future cash flow requirements to ensure adequate holding of high-quality liquid assets.

SV 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.

The following table discloses the contractual maturity analysis for SV's contractual financial liabilities.

TABLE 16.3: MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

2015	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years
	\$	\$	\$	\$	\$	\$
Payables: ⁽ⁱ⁾						
Trade creditors	309,380	309,380	309,380	-	-	-
Accrued project grants	2,290,465	2,290,465	2,290,465	-	-	-
Accrued expenses	203,766	203,766	203,766	-	-	-
Other payables	206,034	206,034	206,034	-	-	-
Borrowings:	-	-	-	-	-	-
Finance lease liabilities	171,676	171,676	5,749	17,247	45,963	102,717
Total	3,181,321	3,181,321	3,015,394	17,247	45,963	102,717
2014						
Payables: ⁽ⁱ⁾						
Trade creditors	571,710	571,710	571,710	-	-	-
Accrued project grants	2,326,739	2,326,739	2,326,739	-	-	-
Accrued expenses	208,525	208,525	208,525	-	-	-
Borrowings:						
Finance lease liabilities	215,967	215,967	3,691	11,073	29,527	171,676
Total	3,322,941	3,322,941	3,110,665	11,073	29,527	171,676

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

(d) Market risk

SV's exposure to market risk is primarily through interest rate risk. Objectives, policies and processes used to manage this are disclosed below.

Foreign currency risk

SV is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas.

Based on past and current assessment of economic outlook, it is deemed unnecessary for SV to enter into any hedging arrangements to manage the risk. SV is not exposed to any material foreign currency risk.

Interest rate risk

Exposure to interest rate risk is insignificant and might arise primarily through SV's variable cash deposits. SV's exposure is insignificant due to its policy to minimise risk by mainly undertaking fixed-rate investments with relatively even maturity profiles, which are managed by Treasury Corporation of Victoria.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 16.4.

TABLE 16.4: INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

2015	Weighted average interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
Financial assets					
Cash and deposits	2.55%	25,227,830	24,500,000	726,230	1,600
Receivables ⁽ⁱ⁾		4,359,227			4,359,227
Total financial assets		29,587,057	24,500,000	726,230	4,360,827
Financial liabilities					
Payables ⁽ⁱ⁾		3,009,645	-	-	3,009,645
Finance leases	6.18%	171,676	171,676	-	-
Total financial liabilities		3,181,321	171,676	-	3,009,645
2014					
Financial assets					
Cash and deposits	2.64%	28,458,778	28,300,000	157,178	1,600
Receivables ⁽ⁱ⁾		1,397,526			1,397,526
Total financial assets		29,856,304	28,300,000	157,178	1,399,126
Financial liabilities					
Payables ⁽ⁱ⁾		3,106,974	-	-	3,106,974
Finance leases	6.18%	215,967	215,967	-	-
Total financial liabilities		3,322,941	215,967	-	3,106,974

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

Sensitivity disclosure analysis and assumptions

SV's sensitivity to market risk is determined based on past performance and economic forecasts of the financial markets. SV believe that the following movements are 'reasonably possible' over the next 12 months:

- ▶ a movement of 50 basis points up and down (2014: 50 basis points up and down) in market interest rates (AUD) from year-end rates of 2.00 per cent (2014: 2.45 per cent).

TABLE 16.5: MARKET RISK (INTEREST RATE RISK)

30 June 2015	Carrying amount	Interest rate risk			
		-50 basis points		+50 basis points	
		Net result	Equity	Net result	Equity
	\$	\$	\$	\$	\$

Financial assets

Cash and cash equivalents	25,227,830	(126,139)	(126,139)	126,139	126,139
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30 June 2014	-50 basis points		+50 basis points	
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Financial assets

Cash and cash equivalents	28,458,778	(142,294)	(142,294)	142,294	142,294
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Note 17. Sustainability Fund

The Sustainability Fund (SF) account forms part of the Environmental Protection Fund, which was managed by the Environment Protection Authority (EPA). EPA credited the SF account with all municipal and industrial landfill levies remaining after distributions, to itself, waste management groups and SV, in accordance with the Environment Protection (Distribution of Landfill Levy) Regulations.

The SF Secretariat, was managed by SV until 30 June 2015, to oversee the management of projects funded from the SF and received a management fee for doing so. Except for the management fees, SV accounted for payments to grant recipients and reimbursements from the EPA relating to these projects.

Payments made to funding recipients totalled \$28,990,482 (2014: \$40,541,805).

Reconciliation of Sustainability Fund Account (cash basis):		Total
Opening balance 1 July 2014		247,233,316
Share of landfill levies received by the Sustainability Fund		166,121,384
Amounts received from EPA to be paid to funding recipients		(28,990,482)
Secretariat costs incurred by SV		(600,000)
Closing Balance 30 June 2015		383,764,218
Opening balance 1 July 2013		170,001,136
Share of landfill levies received by the Sustainability Fund		114,358,932
Unused funds returned		4,065,053
Amounts received from EPA to be paid to funding recipients		(40,541,805)
Secretariat costs incurred by SV		(650,000)
Closing balance 30 June 2014		247,233,316

Note 18. Contingent assets and contingent liabilities

SV had no contingent assets or liabilities as at the reporting date (2014: \$Nil).

Note 19. Cash flow information**(a) Reconciliation of cash and cash equivalents**

	2015 \$	2014 \$
Cash at bank	726,230	157,178
Cash on hand	1,600	1,600
Short-term deposits	24,500,000	28,300,000
Balance as per cash flow statement ⁽ⁱ⁾	25,227,830	28,458,778

Note: (i) Of the \$25,227,830 cash and short-term deposits held by SV as at 30 June 2015, \$6,373,474 represents funds received from government tied to the delivery of specific projects that was unspent at 30 June 2015. Of the balance, \$8,657,919 is fully contracted in projects funded from recurrent revenue and surpluses or other funds.

(b) Reconciliation of net result for the financial year

	2015 \$	2014 \$
Net result for the financial year	(5,231,171)	(8,852,656)
Non-cash movements:		
Depreciation	273,856	285,413
Write-down of assets	-	101,139
(Gain)/loss on disposal of assets	(3,589)	(1,823)
(Gain)/loss on sale of assets held-for-sale	-	(391,737)
Movements in assets and liabilities:		
Increase/(decrease) in employee entitlements	134,602	287,448
(Decrease)/increase in payables	(129,067)	(3,104,432)
Increase/(decrease) in prepayments	(2,445)	(97,383)
Decrease/(increase) in receivables	2,113,083	1,312,451
Net cash inflow from operating activities	(2,844,731)	(10,461,580)

Note 20. Responsible persons

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.

Names

The persons who held the positions of ministers and accountable officers in SV are as follows.

Minister for Environment, Climate Change and Water:

The Hon. Lisa Neville (from 4 December 2014)

The Hon. Ryan Smith (1 July 2014 to 3 December 2014).

Board members:**1 July 2014 to 30 June 2015**

Lydia Wilson, Chair (resigned May 2015)

Ross McCann, Interim Chair (from May 2015)

Suzanne Evans

Roger Parker

Arron Wood

Cheryl Batagol (to October 2014)

Ron Lovett (to May 2015)

Tony Hinton (to May 2015)

Megan Flynn (from May 2015)

Daniel Fyfe (from May 2015)

Kane Thornton (from May 2015)

Chief Executive and accountable officer: Stan Krpan

Remuneration of responsible persons

Amounts relating to ministers are reported in the financial statements of the Department of Premier and Cabinet.

	Total remuneration 2015	Base remuneration 2015	Total remuneration 2014	Base remuneration 2014
Income band	No.	No.	No.	No.
0 – \$9,999	7	7	8	8
\$10,000 – \$19,999	4	4	0	0
\$270,000 – \$279,999	0	1	0	1
\$300,000 – \$309,999	1	0	1	0
Total numbers	12	12	9	9
Total amount	\$406,619	\$381,592	\$369,179	\$339,300

Related party transactions

The nature and terms and conditions of approved project grants, consulting services, rental agreements and sponsorships between SV and the related parties totalled \$70,221 paid and payable (2014: \$64,848). 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	Role	Details	\$
Arron Wood	Director of Kids Teaching Kids.	Sponsorship for the 2015 Melbourne Water Kids Teaching Kids Conference	5,000
Suzanne Evans	Risk and Audit Committee Member for the Department of Environment, Land, Water and Planning.	Accommodation Licence and Business Services Agreement for five regional office locations	65,221
Total			70,221

Note 21. Remuneration of executives and payments to other personnel (i.e. contractors with significant management responsibilities)

(a) Remuneration of executives

The number of executive officers, other than the Minister and accountable officer during the period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, LSL payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period.

Several factors have affected total remuneration payable to executives over the year. A number of employment contracts were completed during the year and renegotiated. Bonus payments were not made during this year.

Income band	Total remuneration		Base remuneration	
	2015	2014	2015	2014
	No.	No.	No.	No.
\$100,000 – 109,999	1	0	1	0
\$160,000 – 169,999	0	2	0	2
\$170,000 – 179,999	2	0	2	0
\$180,000 – 189,999	0	1	0	1
\$190,000 – 199,999	1	0	1	0
\$200,000 – 209,999	0	0	0	1
\$220,000 – 229,999	0	1	0	0
Total number of executives	4	4	4	4
Total annualised employee equivalents⁽ⁱ⁾	4.0	4.0	4.0	4.0
Total amount	\$742,992	\$753,674	\$739,822	\$735,224

Notes: (i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

(b) Payments to other personnel (i.e. contractors with significant management responsibilities)

There were no payments made to contractors with significant management responsibilities in 2015 (2014: Nil).

Note 22. Remuneration of auditors

	2015 \$	2014 \$
Victorian Auditor-General's Office		
Audit of the financial statements	26,200	25,600
Total	26,200	25,600

Note 23. Subsequent events

From 1 July 2015, amendments made to the *Environment Protection Act 1970* through the *Environment Protection and Sustainability Victoria Amendment Act 2014* legislates the transfer of the management and administration of the Sustainability Fund from the EPA to the Department of Environment, Land, Water and Planning (DELWP). The collection of landfill levy is administered by the EPA, and the recording and distribution of the revenue will be managed by DELWP. As a result of the legislative amendments, the SF secretariat role that had been managed by SV has now been transferred to DELWP. SV received a \$600,000 fee in 2015 (\$650,000 – 2014) for the administration of the Fund. This fee will no longer be received. The cash balance of the Sustainability Fund was transferred from EPA to DELWP on 1 July 2015. To support the transfer of the Fund, an independent report, to ensure that all parties involved in the management of the Fund (SV, EPA and DELWP) were satisfied with the Fund's status, was completed in May 2015. A further report of the Fund will be completed in October 2015 post-transfer to DELWP.

Note 24. Glossary of terms and style conventions**Amortisation**

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible assets. The expense is classified as another economic flow.

Borrowings

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

Comprehensive result

The net result of all income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

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

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Employee benefits expenses

Employee benefits expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Ex gratia expenses

Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset

A financial asset is any asset that is:

- a. cash
- b. an equity instrument of another entity
- c. a contractual or statutory right
 - i. to receive cash or another financial asset from another entity
 - ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity;
- c. 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
 - 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 instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- a. a contractual obligation:
 - i. to deliver cash or another financial asset to another entity; or
 - ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- b. a contract that will or may be settled in the entity's own equity instruments and is
 - i. a not-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
 - 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.

For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements in the annual report comprises:

- a. balance sheet as at the end of the period
- b. comprehensive operating statement for the period
- c. a statement of changes in equity for the period
- d. cash flow statement for the period
- e. notes, comprising a summary of significant accounting policies and other explanatory information
- f. comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*
- g. a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense

Costs incurred in connection with the borrowing of funds includes 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 income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate, and is income 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.

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes plant and equipment and intangible assets.

Other economic flows included in net result

Other economic flows included in net result 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-financial physical and intangible assets
- fair value changes of financial instruments
- depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows – other comprehensive income include:

- a. changes in physical asset revaluation surplus
- b. share of net movement in revaluation surplus of associates and joint ventures
- c. gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

Includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of SV.

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 in 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

We certify that the attached Financial Statements for SV have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and Interpretations, 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 2015 and the financial position of SV as at 30 June 2015.

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.

We authorise the attached financial statements for issue on 18 August 2015.



Ross McCann
Interim Chair
Sustainability Victoria



Stan Krpan
Chief Executive Officer
Sustainability Victoria



Matthew Beattie
Chief Financial Officer
Sustainability Victoria



Victorian Auditor-General's Office

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Melbourne VIC 3000
Telephone 61 3 8601 7000
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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Sustainability Victoria

The Financial Report

The accompanying financial report for the year ended 30 June 2015 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 the Interim Chair, Chief Executive Officer and Chief Finance Officer has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of Sustainability Victoria are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, 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 2015 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*.

MELBOURNE
21 August 2015



John Doyle
Auditor-General

Part 11 Landfill levy

The following outlines how the landfill levy is distributed to Sustainability Victoria, the Environment Protection Authority (EPA), the waste and resource recovery groups and the Sustainability Fund.

Landfill levy receipts and distribution

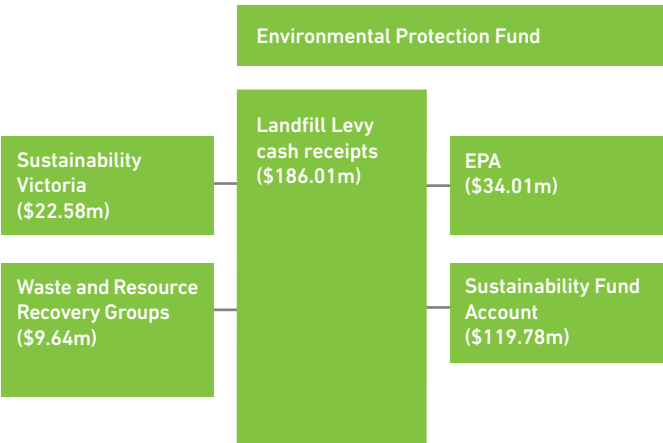
Every tonne of municipal and industrial waste disposed into licensed Victorian landfills attracts a levy. Levies are held in the Environment Protection Fund, which was established under the *Environment Protection Act 1970* (Vic) (s.70) and is managed by EPA Victoria.

Municipal and industrial landfill levies received in the Environment Protection Fund are distributed in accordance with the Environment Protection (Distribution of Landfill Levy) Regulations. The regulations stipulate the amounts that metropolitan and regional waste and resource recovery groups, Sustainability Victoria and the EPA are allocated for 2014–15. The remainder is then transferred into the Sustainability Fund account, within the Environment Protection Fund, held by the EPA. Sustainability Victoria distributes the Sustainability Fund in accordance with allocations approved by the Victorian Premier and the Minister for Environment, Climate Change and Water.

In 2014–15 the Environment Protection Fund distributed \$186.01 million in landfill levies. Sustainability Victoria received \$22.58 million, the EPA \$34.01 million and waste and resource recovery groups \$9.64 million. The remaining \$119.78 million was transferred to the Sustainability Fund account (Figure 7). All entities receiving a landfill levy distribution were given their July 2015 distribution in April (in advance) to allow confirmation of the Sustainability Fund balance prior to its transfer to the Department of Environment, Water, Land and Planning (DEWLP).

The cash balance at 30 June 2015 of \$383.76 million will be transferred to DELWP post 1 July 2015, when it takes over management of the Sustainability Fund.

FIGURE 7: DISTRIBUTION OF THE LANDFILL LEVY IN 2014–15.



Sustainability Victoria’s use of landfill levy revenue

The *Sustainability Victoria Act 2005* (Vic) specifies our objectives and functions, and our annual business plan outlines our annual priorities. Part 6 of this report (annual financial statements) details our income and expenditure.

Part 12 Sustainability Fund

The Sustainability Fund (or the Fund) is a perpetual fund that is financed by Victorian landfill levies, and was established by the Victorian Government in 2004. It supports resource efficiency and waste reduction programs and initiatives, and helps communities to respond to climate change.

The Victorian Premier and Minister for Environment, Climate Change and Water approve allocations in accordance with the purposes of the Fund, as prescribed by the *Environment Protection Act 1970* (Vic). In addition, the premier and the minister may seek advice on programs from the Sustainability Fund Advisory Panel.

Sustainability Victoria's statutory obligations under the Environment Protection Act include managing the distribution of the premier and minister's allocations, initiating and delivering programs supported by the Sustainability Fund, and supporting the Sustainability Fund Advisory Panel.

The advisory panel is appointed by the Minister for Environment, Climate Change and Water. Its role is prescribed by the Environment Protection Act and includes providing recommendations for funding to the premier and minister, monitoring the progress of projects supported by the Fund, and providing general advice on operating the Fund and other matters.

The government's response to the Ministerial Advisory Committee on Waste and Resource Recovery Governance Reform recommended that we transfer management of the Sustainability Fund to the Department of Environment, Land, Water and Planning (DELWP) at the end of 2014–15. This was effected through provisions in the *Environmental Protection and Sustainability Victoria Amendment Act 2014*

which commenced 1 July 2015. During this transition year, we committed to:

- Continuing to work with its partners to oversee the Sustainability Fund's operations and manage the distribution of the funding for all existing and new allocations from the fund.
- Continuing to improve the governance, transparency and reporting processes for the Sustainability Fund, including reporting the Funds' annual allocations and expenditure in SV's annual report

Key achievements in 2014–15

This year we continued to manage the Sustainability Fund in line with good governance principles. We distributed the premier and minister's current and new allocations, monitored the performance of funded projects and provided secretarial services to the Sustainability Fund Advisory Panel.

To support its transfer, the Fund's distributions were completed in April 2015. An independent review found all relevant parties (Sustainability Victoria, the Environment Protection Authority, and DELWP) were satisfied with its status.

The review, completed in May 2015, fully reconciled the Fund with current commitments and liabilities. The closing cash balance was forecast to be \$384 million subject to the transfer of the last of this financial year's landfill levies collected by the EPA. The review also verified that all current commitments were consistent with formal approvals and legislative requirements. A further reconciliation of the Fund will be completed in October 2015 after the transfer to DELWP.

Sustainability Fund Advisory Panel

Members of the advisory panel and their attendance at meetings throughout 2014–15 are listed below.

Committee member	Meetings eligible to attend	Meetings attended
Mick Murphy OAM (Chair)	3	3
Dr Sarah Ewing	3	3
Jan Boynton	3	2
Ann Dalton	3	1
Joanne Anderson	3	3

The repeal of the relevant section of the Environment Protection and Sustainability Amendment Act resulted in the cessation of the Sustainability Fund Advisory Panel on 30 June 2015.

Appendix 1 Disclosure index

The 2014–15 Annual Report of Sustainability Victoria is prepared according to all relevant Victorian legislation and pronouncements. These index below outlines our compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Charter and purpose		
FRDE22F	Manner of establishment and the relevant ministers	2
FRD22F	Objectives, functions, powers and duties	2
FRD22F	Performance against (statutory) objectives, functions, power and duties	6–28
FRD8C	Initiatives and key achievements	6–28
FRE22F	Nature and range of services provided	2–5
Management and structure		
FRE22F	Organisational structure	29–37
Financial and other information		
FRD10	Disclosure index	83–85
FRD12A	Disclosure of major contracts	41
FRD15B	Executive Officer disclosures	36, 37
FRD22F SD 4.2(k)	Operational and budgetary objectives and performance against objectives	2, 6
FRD 22F	Employment and conduct principles	39
FRD22F	Occupational health and safety policy	38, 39
FRD22F	Summary of the financial results for the past five years	27, 28
FRD22F	Significant changes in financial position during the year	27
FRD22F	Major changes or factors affecting performance	27
FRD22F	Subsequent events	27
FRD22F	Application and operation of <i>Freedom of Information Act 1982</i> (Vic)	43
FRD22F	Compliance with building and maintenance provisions of <i>Building Act 1993</i> (Vic)	43
FRD22F	Statement of National Competition Policy	43
FRD22F	Application and operation of the <i>Protected Disclosure Act 2012</i> (Vic)	44
FRD22F	Details of consultancies over \$10,000	41, 42
FRD22F	Details of consultancies under \$10,000	42
FRD22F	Statement of availability of other information	45
FRD42C	Reporting of office-based environmental data	88–91
FRD 25B	Victorian Industry Participation Policy disclosures	43

Legislation	Requirement	Page reference
FRD 29A	Workforce data disclosures	39, 40
SD 4.5.5	Risk management compliance attestation	113
SD 42 (g)	Specific information requirements	2
SD 42 (j)	Sign-off requirements	78
Financial statements required under Part 7 of FMA		
SD 4.2 (a)	Statement of changes in equity	48
SD 4.2 (b)	Operating statement	46
SD 4.2 (b)	Balance sheet	47
SD 4.2 (b)	Cash flow statement	49
Other requirements under Standing Directions 4.2		
SD 4.2 (c)	Compliance with Australian accounting standards and other authoritative pronouncements	50
SD 4.2 (c)	Compliance with Ministerial Directions	50
SD 4.2 (d)	Rounding of amounts	N/A
SD 4.2 (c)	Accountable officer's declaration	78
SD 4.2 (f)	Compliance with Model Financial Report	50
Other disclosures as required by FRDs in notes to the financial statements		
FRD11A	Disclosure of ex gratia payments	N/A
FRD 21B	Disclosures of responsible persons, executive officers and other personnel	74, 75
FRD 103E	Non-current physical assets	53
FRD 106	Impairment of assets	53
FRD 109	Intangible assets	53
FRD 110	Cash flow statements	49
FRD 112D	Defined benefit superannuation obligations	52
FRD 114A	Financial instruments – general government entities and public non-financial corporations	55
FRD 119A	Transfers through contributed capital	48
FRD 120H	Accounting and reporting pronouncements applicable to the 2014–15 reporting period	55

Legislation	Requirement	Page reference
Legislation		
<i>Sustainability Victoria Act 2005</i> (Vic)		2, 29, 50, 81
<i>Environment Protection Act 1970</i> (Vic)		2, 25, 81, 82
<i>Environment Protection and Sustainability Victoria Amendment Act 2014</i> (Vic)		76
<i>Freedom of Information Act 1982</i> (Vic)		43
<i>Building Act 1983</i> (Vic)		43
<i>Financial Management Act 1994</i> (Vic)		50
<i>Victorian Industry Participation Policy Act 2003</i> (Vic)		43
<i>Protected Disclosure Act 2012</i> (Vic)		44

Appendix 2 Greenhouse gas abatement through program activity and greenhouse gas inventory statement

As part of our work with our stakeholders to abate greenhouse gas emissions, we account for savings that are verifiable and auditable. Our work with schools and businesses has provided us with high-quality data that allows us to confidently calculate our contribution to greenhouse gas emission abatement. Verifications of these findings are provided below.

Smarter Resources Smarter Business Energy and Materials

The Smarter Resources Smarter Business Energy and Materials program assists small to medium-sized businesses to reduce costs and boost productivity by improving their energy and materials efficiency, and reusing or avoiding waste.

With the support of Sustainability Victoria medium-sized businesses across all sectors we work with – commercial, industrial, and construction and demolition – have taken action to become more resource efficient, and cut costs through a range of activities that increase their energy and material productivity. Verified energy-based greenhouse gas abatement has been achieved through the key program components:

- › Resource Assessments, which includes a comprehensive level-2 audit that identifies baseline performance and energy-efficiency opportunities for the business to implement.
- › Capital funding to support businesses to adopt energy-efficient technologies.

ResourceSmart Schools

ResourceSmart Schools is a Victorian Government program that helps schools benefit from embedding sustainability in everything they do, and take action on climate change.

ResourceSmart Schools greenhouse gas abatement consists of activities conducted through its Energy Module that aim to reduce the use of electricity, natural gas and LPG in schools. Performance tracking is achieved through a centralised portal www.resourcesmartschools.vic.gov.au where billing data is collected and analysed. This data allows schools to track their progress and SV to evaluate the performance of schools and the program.

Greenhouse gas inventory statement

ARUP

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www.arup.com

21st August 2015

**Independent Verification Statement:
Greenhouse Gas Emissions Abatement from the Smarter
Resources, Smarter Business Program in 2014-15**

To the Board of Directors and Executive of Sustainability Victoria,

Arup were engaged by Sustainability Victoria to undertake an independent verification of the estimated Greenhouse Gas (GHG) emissions abatement from the 'Smarter Resources, Smarter Business' program for the period 1st of July 2014 to 30th of June 2015. The management of Sustainability Victoria is responsible for estimating GHG emissions abatement for its operations and to report and present results appropriately in the Annual Report. It is Arup's responsibility to perform the independent verification of the GHG abatement claims in accordance with Australian Standard (AS) ISO 14064.3 *Greenhouse gases Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*, as agreed with Sustainability Victoria.

Verification scope and objectives

The scope of the verification was in accordance with AS ISO14064. The scope and boundary of the GHG abatement claims are for those associated with energy savings as part of the Smarter Resources, Smarter Business program. Arup conducted the verification using procedures that included but were not limited to the following:

- Conducting staff interviews to understand the process and controls in collecting and collating background data and calculations;
- Reviewing relevant background data, supporting material, and calculations;
- Reviewing and checking that methodologies and assumptions have been appropriately applied in alignment with; and
- Undertaking sampling of data to check for completeness and accuracy.

These procedures were used to base our opinion and where any errors were identified during the verification process, these were corrected prior to release of the Annual Report.

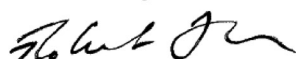
Verification conclusions

Arup undertook the independent verification process using a team of sustainability consultants with particular experience and knowledge in greenhouse gas and sustainability reporting. Based on the review and verification procedures undertaken, it is our opinion that there is no evidence that the GHG abatement claims:

- are not materially correct and is not a fair representation of GHG data and information; and
- have not been prepared in accordance with accepted standards and practice regarding GHG abatement claims.

It is our opinion that the GHG abatement claims and related energy savings for the programs as detailed in Sustainability Victoria's Annual Report, are presented in accordance with the criteria described above.

On behalf of Arup,



Rob Turk
Associate, Environment and Sustainability Leader VIC/SA
Melbourne, Victoria



Appendix 3 Our office-based environmental performance and greenhouse gas inventory statement

Environmental aspect ¹	Description	Unit of measure	2010–11	2011–12	2012–13	2013–14	2014–15
Energy	Office tenant light and power (OTLP) use per THC ²	Megajoules per THC	3,064	3,608	4,600	3,760	3,742
	OTLP use per FTE ³	Megajoules per FTE	3,040	3,869	4,868	4,159	3,839
	Total electricity use OTLP	Megajoules	474,930	494,311	501,358	473,733	437,821
	Use per square metre of office space	Megajoules per m ²	245	255	258	244	224
	Total GreenPower	Per cent	100%	100%	100%	100%	100%
	Base building apportioned electricity use	Megajoules	376,040	361,868	343,116	344,962	328,043
	Base building apportioned natural gas use ⁴	Megajoules	336,226	299,419	312,852	264,451	164,334
	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	143	135	128	126	121
	Total GHG emissions associated with apportioned gas use	Tonnes of CO ₂ –e	18.6	16.5	17.3	15	9
Paper ⁵	Use per THC	Reams per THC	6.2	5.5	6.4	5.2	5.2
	Use per FTE	Reams per FTE	6.1	5.9	6.7	5.8	5.3
	Recycled content	Per centage total	93%	97%	99%	94%	100%
	Total use	Reams	955	759	693	655	606
	Paper GHG emissions	Tonnes of CO ₂ –e	4	3	2	2	2
Waste ⁶	Generated per THC	Kilograms per THC	56	57.6	N/A ⁷	57.0	56
	Generated per FTE	Kilograms per FTE	54.5	61.7	N/A ⁷	63.0	58
	Organics per FTE	Kilograms per FTE	12.9	10.1	8.0	13.9	15.37
	Recyclables per FTE	Kilograms per FTE	40.6	49.1	N/A ⁷	44.7	36.92
	Landfill per FTE	Kilograms per FTE	2	2.6	3.2	4.3	5.58
	Organics	Total kg to processor	2,016	1,286	827	1,589	1,753
	Recyclable materials	Total kg to processors	6,344	6,272	N/A ⁷	5,093	4,211
	Landfill	Total kg to landfill	360	329	329	494	636
	Total recycled (incl. Organics)	Per centage	96%	96%	N/A ⁷	93%	90%
	Waste GHG emissions	Kilograms	368	362	395	593	764

Environmental aspect ¹	Description	Unit of measure	2010–11	2011–12	2012–13	2013–14	2014–15
Water	Total apportioned water consumption ⁸	Kilolitres	939	777	874	1000.04	702
	Apportioned water consumption per THC	Kilolitres per THC	N/A	5.67	8.02	7.94	6
	Apportioned water consumption per FTE	Kilolitres per FTE	6.01	6.08	8.49	8.78	6.15
Transportation ¹⁰	Energy consumption per THC	Gigajoules per THC	1.24	2.32	4.58	4.11	4.25
	Energy consumption per FTE	Gigajoules per FTE	1.23	2.5	4.85	4.54	4.36
	Total energy consumption	Gigajoules	192.38	317.49	499.28	517.48	497.37
	Total vehicle travel by vehicle type ¹⁰	Kilometres	90,050	167,426	239,469	236,808	233,114
	Total associated GHG emissions	Kilograms of CO ₂ –e	12,874	21,246	33,412	34,630	33,284
	GHG emissions/1,000 km travelled	Kilograms of CO ₂ –e	144	127	140	146	143
	Staff travel associated with agency operations per THC	Kilometres per THC	1,801	1,222	2,197	1,879	1,992
	Staff travel associated with agency operations per FTE	Kilometres per FTE	1,786	1,311	2,325	2,079	2,044
	Total air travel associated with agency operations	Kilometres	435,873	220,870	179,405	220,724	236,255
	Employees regularly using public transport, cycling or walking to and from work	Per centage	88.0%	91.0%	90.3%	89.0%	90.8%
	Employees regularly using more sustainable modes of transport ¹¹	Per centage	23.0%	28.0%	26.7%	28.8%	33.3%
Greenhouse Gas Emissions ^{15,16,17,18}	Total GHG emissions associated with scope 3 energy use ¹²	Kilograms of CO ₂ –e	19,789	20,596	20,890	19,739	18,243
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ –e	12,874	21,246	33,412	34,630	33,284
	Total GHG emissions associated with air travel ¹³	Kilograms of CO ₂ –e	113,082	57,388	44,250	75,830	72,562
	Total GHG emissions associated with waste disposal	Kilograms of CO ₂ –e	368	362	395	593	764
	Total GHG emissions from staff commute ¹⁸	Kilograms of CO ₂ –e			113,289	120,576	163,394
	Total GHG emissions associated with scope of operational activities ¹⁹	Kilograms of CO ₂ –e	488,896	432,342	538,003	559,475	414,321

Notes:

- 1 During the first half of FY 2014–15, SV had an average of 300 clients / guest visitors per month (or approximately 13 a day).
- 2 THC = average total head count as of 30 June 2015 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.
- 3 FTE = full time equivalent staff as of 30 June 2015. Temporary agency employees are not included in FTE.
- 4 Base building apportioned gas consumption is calculated from net lettable area. With SV occupying one floor our apportioned value is 2.9%.
- 5 One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
- 6 Waste figures from one-week-a-month measurements taken throughout 2014–15, which is meant to be within $\pm 10\%$ accuracy.
- 7 Sustainability Victoria has on-site water meters that measure potable and recycled water use within the tenancy. For the purpose of calculating GHG emissions from water, these figures are not used in water reporting because they exclude Sustainability Victoria's apportioned share of base building water use.
- 8 Total water use figure calculated as an apportioned value (2.9%) based on net lettable area occupied by Sustainability Victoria.
- 9 As of June 2014 vehicle fleet entirely made up of Hybrid Camrys including five regionally located. Figures exclude a limited amount of interstate/overseas travel and ferry travel.
- 10 Value incorporates staff driving personal vehicles in some instances where fleet vehicles not accessible.
- 11 More sustainable modes of commuting include: cycling, walking and working from home.
- 12 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.
- 13 Greenhouse estimations for years prior to FY 2010–11 have been adjusted based on updated formula. 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.
- 14 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 for easier illustration.
- 15 Greenhouse gas emission factors based on July 2013 National Greenhouse Accounts factors and EPA Victoria Greenhouse Gas Inventory Management Plan. Emissions from air travel are calculated using EPA Victoria Greenhouse Inventory Management Plan, which references DEFRA methodology. Other factors are calculated using ATO, ABS, RACV, and V-Line data.
- 16 Emissions from publications are calculated using a methodology developed by The Gaia Partnership using the CO₂ counter technology.
- 17 GHG emissions calculations for water and A/C refrigerant were updated in FY 2013–14. Water emissions changed due to a change in the emissions factor from 2.34 kg/kL to 1.36 kg/kL.
- 18 GHG emissions from staff commute to and from work was incorporated beginning in FY 2012–13
- 19 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, water consumption, and staff commuting. Office, light and power are included even though GreenPower is purchased to illustrate the organisation's total GHG emissions associated with the scope of operational activities. A 10 per cent buffer in the purchase of carbon offsets has been incorporated to cover any inaccuracies in calculating the components included within SV's greenhouse inventory boundary.

Greenhouse Gas Inventory statement

ARUP

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East Melbourne VIC 3002
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21st August 2015

**Independent Verification Statement:
Greenhouse Gas Operational Emissions 2014-15**

To the Board of Directors and Executive of Sustainability Victoria,

Arup were engaged by Sustainability Victoria to undertake an independent verification of the organisation's operational Greenhouse Gas (GHG) emissions for the period 1st of July 2014 to 30th of June 2015. The management of Sustainability Victoria is responsible for preparing an inventory of GHG emissions for its operations and to report and present results appropriately in the Annual Report. It is Arup's responsibility to perform the independent verification of the GHG inventory in accordance with Australian Standard (AS) ISO 14064.3 *Greenhouse gases Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*, as agreed with Sustainability Victoria.

Verification scope and objectives

The scope of the verification was in accordance with AS ISO14064. The scope and boundary of the GHG inventory is as per the Victorian Government, Department of Treasury and Finance's *Guidance for FRD No. 24C Reporting*. Sustainability Victoria has voluntarily included certain scope 3 emission sources beyond the requirements of FRD No. 24C and these have also been included as part of the verification. Arup conducted the verification using procedures that included, but were not limited to the following:

- Conducting staff interviews to understand the process and controls in collecting and collating background data and undertaking calculations;
- Reviewing relevant background data, supporting material and testing calculations;
- Reviewing and checking that methodologies and assumptions have been appropriately applied in alignment with (AS) ISO 14064; and
- Sampling of data and underlying sources of information to test for completeness and accuracy.

These procedures were used to base our opinion and where any errors were identified during the verification process, these were corrected prior to release of the Annual Report.

Verification conclusions

Arup undertook the independent verification process using a team of sustainability consultants with particular experience and knowledge in GHG and sustainability reporting. Based on our review and verification procedures undertaken, it is our opinion that the GHG inventory:

- of operational emissions as reported is materially correct and a fair representation of the supporting data and information; and
- was prepared in accordance with AS ISO14064 in relation to GHG quantification, monitoring and reporting as per FRD No. 24C.

On the basis of the above it is our opinion that the GHG inventory covering scope 1, 2, and 3 emissions and associated sustainability metrics as detailed in Sustainability Victoria's Annual Report are presented in accordance with AS ISO14064 and FRD No. 24C.

On behalf of Arup,



Rob Turk
Associate, Environment and Sustainability Leader VIC/SA
Melbourne, Victoria



Appendix 4 Sustainability Fund allocations

NEW COMMITMENTS MADE FROM THE SUSTAINABILITY FUND		
Organisation	Program	Funding support \$
Sustainability Victoria	Community Sustainability Infrastructure Fund	\$6.4 million
Environment Protection Authority	Illegal Dumping Strike Force – Managing Victoria’s Waste Materials	\$6.3 million
NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS		
Overseen by the Department of Environment, Land, Water and Planning		
Funding Program: A Cleaner Yarra River and Port Phillip Bay: Litter Hotspots Grants Program (Round 2) – Small & Multi-Year Large Grants		
Organisation	Program	Funding support \$
3rd Croydon Scout Group	Yarra Litter Removal Program	7,390
Friends of Westgate Park Inc.	Keeping Westgate Park Litter Free	5,000
Friends of Williamstown Wetlands Incorporated (FOWW Inc.)	Wader Beach for Birds not Litter	8,000
Kingston City Council	Filter it Out	13,637
Maribyrnong City Council	Footscray Litter Prevention	14,500
Maroondah City Council	My Mullum Mullum Creek	14,353
Melbourne City Council	Food Businesses and Stormwater Pollution	7,000
Monash City Council	Keep Kingsway Klean	14,600
Bellarine Landcare Network	Caring for Corio Bay	60,000
Hobsons Bay City Council	Cigarette Litter Reduction Project 2014–2017	14,000
Manningham City Council	Development of Riversafe Low Maintenance GPT	20,000
Melbourne City Council	Operation ‘Bin infrastructure’ – Cigarette Litter	49,000
Port Phillip EcoCentre Inc.	Turn off the Tap: Catchment to Bay Litter Prevention and Monitoring	34,623
Tangaroa Blue Foundation Ltd	Operation Clean Sweep	46,903
City of Whittlesea	Reducing Litter and Dumped Rubbish along Significant Waterways within the City of Whittlesea.	70,000
Yarra Ranges Shire Council	Communities for Platypus – Litter-free Towns	35,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program: Round 4 – Small Grants

Organisation	Program	Funding support \$
Aberfeldie Primary School	Aberfeldie Primary School Urban Forest Project	6,500
Anglesea Aireys Inlet Society for the Protection of Flora and Fauna (ANGAIR)	Protection and Restoration of the Anglesea Bushland Reserve	4,653
Ararat Regional Bio-Links Network Inc.	Ararat Cemetery Creek Bio-Link	4,200
Australian Plants Society Maroondah Inc.	Census and Control of Weedy Bulbil <i>Watsonia</i> Populations and Revegetation along Dandenong Creek	9,937
Australian Trust for Conservation Volunteers	Weeding out Uninvited Invaders – Weed Control in the Southern Grampians	10,000
Ballarat Region Treegrowers	Recreating the Country – Linking Two Bio-rich Sites	5,770
Beulah Landcare Group	Busting Bunny Numbers in Beulah	9,938
Billanook Primary School	Two Cultures Linked	9,180
Buxton Primary School	Revegetation and Nest Boxes for the Buxton Primary School Bush Block	10,000
Cairnlea Conservation Reserves Committee of Management	Wildflower Restoration	9,200
Cardinia Environment Coalition Inc.	BNCR: Invasive Plant Management	5,725
Carlsruhe Upper Campaspe Development & Protection Taskforce/Carlsruhe Landcare Group	Carlsruhe Biolink Phase 2	5,000
Castlemaine Steiner School and Kindergarten	Homes for the Swift Parrot and Friends – Riparian and Environmental Asset Protection	10,000
Conservation Volunteers Australia	Clearing the Port Fairy Passage	9,465
Damascus College Ballarat	Murnong Trail (biodiversity trail)	9,900
Donald and District Landcare Group	Revegetation of Littoral Zone Richardson River	4,400
Emerald Primary School	Sustainable and Bio-diverse Gardening	4,500
Ferntree Gully North Primary School	A Wildlife Walk – Connections for Flora, Fauna and the Community	9,685
Frankston High School	Reviving the Biodiversity and Land Stabilisation of an area within Frankston High School	10,000
Friends of Deep Creek	Deep Creek Revegetation	3,200
Friends of Grampians Gariwerd Inc.	Protection of the Federally Endangered <i>Caladenia audasii</i> (Audas Spider-orchid)	10,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program: Round 4 – Small Grants

Organisation	Program	Funding support \$
Friends of Hanging Rock	Hanging Rock Revegetation Project and Website Development	1,950
Friends of Kororoit Creek	Kororoit Creek Melton Highway Stream Side Reserve Revegetation	4,646
Friends of Leadbeater's Possum Inc.	Enhancement and Support for Key Leadbeater's Possum Colonies, Yellingbo Nature Conservation Reserve	9,530
Friends of Minak Reserve	Minak Biolink Stream Rehabilitation Project	10,000
Friends of the Koalas Inc.	Eucalyptus and Grassland Revegetation in Oswin Roberts Reserve	6,483
Friends of Westgate Park Inc.	Engaging Community in Revegetation in Westgate Park – Close to the City, Yarra and Port Phillip	8,220
Friends of Wilson Reserve	Using Artificial Roosts (bat-boxes) as a Conservation Tool for Tree-roosting Bats in Melbourne	8,540
Friends Of Yandell Reserve	Friends of Yandell Reserve	10,000
Gazette Land Action Group	Corridors for Causes	9,983
Geelong Landcare Network Inc.	Building Biodiversity along Bruce's Creek to aid Wildlife Movement and Waterway Protection	9,800
Gembrook Primary School	Habitat for Wildlife	2,500
Greta Valley Landcare Group	Linking the Lines	10,000
Hedley Landcare Group	Farm Dams – Crying out for Wildlife	10,000
Heyfield Racecourse Reserve Committee of Management	Heyfield Wetlands Revegetation Project 2014–15	4,795
Hopetoun Landcare Group	No Hope for Rabbits around Hopetoun	9,938
Houn Creek Landcare Group	Connecting the Patches, Improving the Creek – Grassy Box Woodland and Huon Creek Restoration	9,900
Invermay Landcare Group	Bush Food and Indigenous Historical School Garden	2,250
Kara Kara Conservation Management Network	Connecting the Landscape	10,000
Keen on Green	Stormwater Wetlands at Belgrave Heights for a Healthier Monbulk Creek	10,000
Kiewa Catchment Landcare Group	Mount Beauty Streamside Reserve Connections to Rockpools Restoration	10,000
Kilsyth Primary School	Kilsyth Primary School – Building a Sustainable Community, Building a Sustainable World	10,000
Koo Wee Rup Primary School	Koo Wee Rup Primary School Revegetation and Habitat Preservation Project	5,050
Lal Lal Catchment Landcare Group	Two Mountains Koala Trail – Phase 2	10,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program: Round 4 – Small Grants

Organisation	Program	Funding support \$
Lalor Gardens Primary School Council	Reclaiming the Indigenous Natural Environment	6,450
Lancaster Primary School	Native Plants to Bring Wildlife Back into the Area	2,040
Lions Club of Geelong Breakfast Inc.	Western Beach Foreshore Revegetation and Coastal Erosion Reduction Project	5,510
Loddon Plains Landcare Network	Wheel Cactus Control Community Day Program	7,670
Longwood Plains Conservation Management Network	Qualifying Landholders to Carry out 1080 Fox Baiting for Threatened Bush Stone Curlews and Lambs	10,000
McKenzie's Hill Action and Landcare Group	Old Diamond Hill Community Parklands – Step Two	10,000
Melton Specialist School	The 3 R's Rustic Horticulture Project: Reclaim! Recycle! Revegetate!	9,340
Middle Yarra Landcare Network	Brush-tailed Phascogales Habitat Enhancement	10,000
Moorabool Catchment Landcare Group	Upper Moorabool River – Revegetation and Seed Collection of Victorian Volcanic Plains Habitats	10,000
Moyston Landcare Group Inc.	No More Needles for Moyston	9,980
Mt Rothwell Landcare Volunteers	Re-vegetating Highly Threatened Ecosystems	10,000
Murrayville Landcare Group	Reducing Rabbit and Fox Numbers in the North West Mallee	9,955
Nagle College Landcare Group	The Nagle College Rainforest Project	10,000
Nature Glenelg Trust	Local Catchment Habitat Improvement to Reduce Nutrient Runoff to Deep Lake in Western Victoria	10,000
Niddrie Primary School	Niddrie Primary – Indigenous Revegetation of School Grounds	9,970
Northern Grampians Landcare Group	Northern Grampians Weed and Rabbit control	9,148
Nullawil Progress Association	Environmental Education for Community	3,100
Parklands Albury Wodonga	Protecting Koetong Remnant Vegetation Corridor	10,000
Pierrepoint Land Protection Group	Revegetate and Protect	3,278
Project Platypus	Integrated Environmental Works in the Upper Wimmera	10,000
Rainbow and District Landcare Group	Just Bait, no Gold at the end of the Rainbow for Rabbits	9,938
Ringwood Secondary College	Restoration of Hill Street Gully and Waterway	10,000
Rolling Hills Primary School	Weed Wipeout and Conservation Classroom	4,331
Serendip Sanctuary Volunteers	Endangered Brush-tailed Rock-Wallaby Captive Breeding Expansion	10,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program: Round 4 – Small Grants

Organisation	Program	Funding support \$
Sherbrooke Community School	Rehabilitation of the Conservation Area – Linking Dandenong Ranges National Park and Sassafras Creek Reserve.	9,915
Silvan Primary School Community – Parents and Friends	Land for Wildlife and Habitat Regeneration	10,000
Snape Reserve Committee of Management	Weed Control on Snape Reserve	689
Solway Sustainability Committee	Wildlife Corridor	7,190
South Gippsland Landcare Network	Restoring and Recognising the Environmental Values of Turtons Creek	7,950
Southern Otway Landcare Network	Learning the Weeds – Community Weed Control at the Wild Dog Creek	9,875
St Aloysius Catholic Primary School	Enhancement of Biodiversity within St Aloysius Catholic Primary School and St Ignatius College	6,000
St James PA	St James Children's and Community Garden	8,500
St Arnaud Field Naturalists Club Inc.	Recovery of the FFG-listed threatened Grey Grasstree in the St Arnaud Region	5,130
Stony Rises Landcare Group	Stony Rises Vegetation Corridors and Wetland Protection Project	10,000
Stony Rises Landcare Group	Stony Rises Habitat Enhancement Project	2,565
Surf Coast and Inland Plains Network	Preserve, Protect and Enhance Isolated Remnant River Red Gum and VVP Grasslands Surrounding Lake Modewarre	9,500
Tallangatta Rail Trail Advisory Group	Bullioh Biodiversity Corridor	10,000
Telopea Downs Agricultural and Landcare Group	Communities Improving Habitat Resilience and Viability and Protecting Middens (Friends of Williams Road Beach)	3,565
The Field Naturalist Club of Victoria Inc.	Protecting FFG-Listed Species along the Clyde-Tooradin Railway	3,153
The Friends of the Marysville Walks Inc.	Narbethong Holly Control Project	10,000
Thornbury Primary School	Thornbury Primary School Wurundjeri Plants Revegetation project	10,000
Torquay Landcare Group Inc.	Spring Creek East Indigenous Vegetation Enhancement	2,700
UP2Us Landcare Network	Linking the Fords Creek to Create a Habitat Corridor	10,000
Upper Hopkins Land Management Group	Biodiversity Corridor for Broadacres	8,976
Upper Mount Emu Creek Landcare Network	Essential Revegetation to Improve Biodiversity and Habitat in Miners Rest	2,905

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program: Round 4 – Small Grants

Organisation	Program	Funding support \$
Upper Ovens Valley Landcare Group	Propagating Community Capacity	9,980
UT Creek Maintongoon Landcare group	Maintongoon Lookout Restoration	1,800
Victoria University	Seeds from the Streets	9,248
Wannon Nigretta Community Group	Wannon River Weed Removal	1,200
Warby Range Landcare Group Inc.	Habitat Linkage Corridors Connecting Winton Wetlands to Warby Ovens National Park	9,830
Watson Creek Catchment Group	Watson Creek Restoration Project	10,000
West Gippsland Relic, Mining and Heritage Protection Inc.	Aberfeldy Tracks	10,000
Woody Yaloak Catchment Group	Biodiversity Conservation and Habitat Links in the Mt Mercer Area	9,906
Wodonga to Cudgewa Rail Trail Committee Inc.	Birdscaping Wodonga's Disused Railway Corridor	10,000
Wodonga Urban Landcare Network	Ground-Ready Revegetation	10,000
Woomelang Lascelles Landcare Group	Wiping-out Rabbit Numbers Around Woomelang and Lascelles	9,938
Wooragee Landcare Group	Reedy Creek Riparian Habitat Enhancement and Restoration	9,900
Wurundjeri Walk Advisory Committee	Wurundjeri Walk Revegetation Project 2014	1,260
Yarram Yarram Landcare Network	Protecting the Coastal Vegetation Communities of Corner Inlet and Noorumunga's Ramsar-Listed Breeding Grounds	10,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Alvie Tree Planters	Lake Corangamite Reserve Revegetation Project	13,950
Anglesea and Aireys Inlet Society for the Protection of Flora and Fauna (ANGAIR)	Anglesea Heath Boneseed Removal	3,700
Australasian Native Orchid Society, Victorian Group Inc.	Saving the Federally-Listed Brilliant Sunorchid <i>Thelymitra Mackibbinii</i>	18,000
Australian Network for Plant Conservation	Saving the Federally-Listed Metallic Sunorchid and Wimmera Spider-orchid from Weed Invasion	10,585
AWARE Wildlife	AWARE Release of Rehabilitated Native Wildlife	2,448
Axe Creek Landcare Group	Maintaining Remnant Habitats	6,000
Balcombe Estuary Reserves Group Mt Martha Inc.	Upper Citation Woodland Restoration (Zone 12B) Mt Martha	11,174
Bass Valley Landcare Group Inc.	Communities for Nature – Balancing Landscape Restoration with Sustainable Community Safety	49,650
Bellarine Bayside Foreshore Committee of Management	Growing Social and Ecological Resilience in St Leonards	10,985
Bendigo Four Wheel Drive Club	Boneseed in Bendigo	2,000
Blackburn Creeklands Advisory Committee	Revegetation of Habitat Corridors in the Blackburn Creeklands – 2015 Plants in 2015	4,854
Blampied-Kooroocheang Landcare Group	Seed Security – Protecting Our Local Landscapes	50,000
Brentwood Secondary College	'Gumbuya' Landscaping Proposal – Senior School Common Area	49,995
Broadford Land Management Group Inc.	Managing Waterway Erosion in the Colin Officer Flora Reserve	9,500
Broken Boosey Conservation Management Network	Bed and Breakfast for the Birds – Nestboxes and Vegetation for the Turquoise Parrot	50,000
Campaspe River and Land Management Group	A River Runs Through It	11,080
Cardigan Windermere Landcare Group	Rediscovering Winter Swamp	5,240
Cardinia Catchment Landcare Inc.	Cardinia Reservoir to Berwick Bio-link Community Project	45,100
Cardinia Environment Coalition Inc.	Increasing Refuge Sites for Arboreal and Terrestrial Fauna in the Landscape	7,670
Connecting Country (Mount Alexander region) Inc.	Habitat for Bush Birds – Linking Mount Alexander to Metcalfe	49,750

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Conservation Ecology Centre	Protecting Depleted Remnant Woodlands from the Spread of Noxious Weeds on Cape Otway	9,620
Conservation Volunteers Australia	Point Danger Heathland Restoration	40,350
Corner Inlet Blackberry Action Group (CIBAG)	Protecting Corner Inlet's Catchment From Blackberry Encroachment	49,920
Essex Heights Primary School	Community, Biodiversity, and Sustainability Hub	15,860
Frankston Nature Conservation Reserve Committee of Management	Frankston Nature Conservation Reserve Weed Eradication	49,548
French Island Landcare Group Inc.	Ensuring Landscape Connectivity on French Island – Protecting, Enhancing and Linking Remnants	49,650
Friends of Biodiversity Blueprint for Bingi	Billy Creek Wetlands Revival	50,000
Friends of Coolart Inc. A0026916K	Coolart Southern Farmland Rehabilitation	14,975
Friends of Cornish Hill	Farewell all Willows	10,758
Friends of Dandenong Valley Parklands	Habitat Improvement for Powerful Owls and Growling Grass Frog Stage 2	15,625
Friends of Iramoo Incorporated	Iramoo Grasslands Community 2014–2015	9,475
Friends of Kurth Kiln	Revegetation along Scout Loop Track Kurth Kiln Regional Park	4,000
Friends of Merri Creek Inc.	The Need for Seed – Re-establishing Capacity for Regeneration by Depleted Flora along the Merri Creek	49,810
Friends of Mt Cannibal Inc.	Mt Cannibal – An Orchid Arc	49,402
Friends of Reform Hill	Reform Hill West Revegetation Project	10,000
Friends of Sassafras Creek Inc.	Friends and the Community Working Together to Rehabilitate the Sassafras Creek Nature Conservation Reserve	17,479
Friends of Somers Foreshore Inc.	Revegetation of South Sea Foreshore Reserve, Somers' Western Slope with a Biodiverse Habitat Corridor.	8,000
Friends of Tarra-Bulga National Park Incorporated	Tackling Tutsan in Tarra-Bulga National Park	7,370
Friends of the Gorge	Red Gum Revegetation Project	2,500
Friends of Westgate Park Inc.	Engaging Community Volunteers in Revegetation to Improve Biodiversity on the Lower Yarra in Westgate Park	7,440

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Golden Point Landcare	Enhancing Native Vegetation in the Forest Creek Catchment to Improve Eucalypt Species Health	9,700
Hamilton to Coleraine Rail Reserve Management Committee	Wannon Grassland Protection	5,660
Harrierville Dredge Hole Reserve Committee of Management	Upper Ovens River Riparian Woodland Restoration and Demonstration Gardens	12,000
Huon Creek Landcare Group	Connecting the Patches, Improving the creek – Grassy Box Woodland and Huon Creek Restoration Phase Two	49,943
Indigo Environment Advisory Committee	Woodland Species Habitat Assessment, Enhancement and Protection Program for the Indigo Shire	32,000
Kongwak Hills Landcare Group	Connecting Kongwak	49,700
Kooloonong-Natya Landcare Group Inc.	Kooloonong-Natya Landcare Creating Wildlife Corridors	30,194
Labertouche Sustainable Farming Landcare Group and Friend of Labertouche Reserve	Re-vegetation of Labertouche Bushland Reserve	7,700
Laharum Preschool committee – Horsham and District Kindergarten Association	Laharum Community Preschool Clamber Grow and Gobble Garden	8,600
Lake Coorong/Lake Lascelles Committee of Management	Improving Lake Coorong habitats – Knocking Back Rabbits and Weeds	10,400
Lismore Land Protection Group (LLPG)	Assessing and Enhancing the Biodiversity Values of the Lismore Region	32,087
Longwood Plains Conservation Management Network	Linking Biodiversity and Production on the Longwood Plains	50,000
Maryborough Education Centre	Maryborough Education Centre Back to Nature Project	31,895
Merriman Creek Landcare Group	Restoring the Riparian Habitat of Merriman Creek through Community Participation	38,690
Merton Landcare Incorporated	Weed Control and Rehabilitation along Godfrey's Creek	4,500
Milawa/Markwood/Oxley Landcare Group	Riverine Integrated Environmental and Waterways Solutions	49,990
Moe Yallourn Rail Trail Committee of Management	Revegetation and Habitat Preservation	3,733
Moe Yallourn Railtrail Committee of Management	Moe Yallourn Rail Trail Drainage Latrobe City Council Treatment Pond Revegetation	4,176

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Moorabool Catchment Landcare Group	Serrated Tussock, Gorse and Rabbits – a Pest Reduction Focus in the Upper Moorabool River Catchment	50,000
Mount View Primary School	Mount View Primary School Revegetation Project	6,860
Mount Waverley North Primary School	Mount Waverley North Native Forest	20,350
Mount Waverley Secondary College	Mount Waverley Secondary College Revegetation Initiative 2014	50,000
Mt Rothwell Landcare Volunteers Inc.	Protect and Enhance High Conservation Value Biolinks of the Victorian Volcanic Plains Bioregion	50,000
Myrtleford P/12 College	Homes for the Homeless	2,490
Newstead Landcare Group Inc.	Riparian Protection and Restoration in the Newstead Area Stage 5	5,040
Nulla Vale Pyalong West Landcare Group Inc.	Biolink Expansion and Revegetation 14	11,000
Parklands Albury Wodonga Ltd	Restoring Gateway Island Grasslands	49,100
Parwan Landcare Group	Parwan Gorge Restoration	50,000
Phillip Island Landcare Group	Corridors to the Coast – Connecting Communities and Building Biolinks	49,900
Pigeon Hill Land Management Group	Pigeon Hill Community Action – Stopping the Spread of a Prickly Triffid	50,000
Pinewood Primary School	The Pinewood Way	3,417
Powlett Project Landcare Group	Linking and Enhancing Native Habitat through Targeted revegetation, Strategic Planning, Community Engagement and Weed Control	49,440
Project Platypus Association Inc.	Protecting “Overdale” Remnants	30,000
Raymond Island Landcare Group	Rob’s Run Revegetation Site	5,300
Regent Honeyeater Project Inc.	Habitat Restoration for Threatened Species – People Power in Action	30,000
Ross Creek Landcare Group	Strengthen the Improving Biodiversity of the Creekside Habitat at Ross Creek Nature Reserve	3,364
Rutherglen Landcare Group	Back to Bush Bio-links – Rutherglen Remnant Vegetation	37,900
Rutherglen Park and Recreation Reserve	Rutherglen Lake King Project	49,905
Seawinds Nursery Volunteers Inc.	Mornington Peninsula Revegetation Project	11,000
South Gippsland Landcare Network	Protecting the Unique Strzelecki Koala and its Corridors in Latrobe Valley and Surrounds	50,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Southern Otway Landcare Network	Cape Otway and Hordern Vale Community Habitat Recovery Project	40,298
Southern Otway Landcare Network	Building Community Capacity to Protect and Enhance Native Vegetation along Wild Dog and Skenes Creek	50,000
St Louis de Montforts Primary School	Let's Go Further and Conserve Local Biodiversity Values through On-ground Activities	50,000
St Paul's Anglican Grammar School	St Paul's Students and Community Revegetation of Brooker Park's Hazel Creek to Protect Threatened Species'	50,000
Syndal South Primary School	Erosion Reduction and Native Habitat Revegetation Project	48,878
Tallangatta Rail Trail Advisory Group Inc.	Enhancing Eight Historic Trestle Bridge Crown Reserves on the Cudgewa Railway Corridor	41,650
Tarwin Valley Landcare Group	Improving Habitat and the Recruitment of <i>Eucalyptus Strzelecki</i>	50,000
Tawonga Primary School	Grassy Gully to Vegetated Creek Bed	10,000
The Friends of the Marysville Walks Inc.	Narbethong Holly Control Project	21,600
The Trustee for Nature Glenelg Trust	On-ground Works to Finalise the Permanent Restoration of Wetlands in the Brady Swamp Complex	41,250
The Upper Goulburn Landcare Network	Peddling the Box Grassy Woodland Biolink	48,345
Torquay Coast Action Inc	Restoration of Significant Grassland Habitat within Karaaf Wetland	12,250
Trust for Nature	Saving the Endangered New Holland Mouse on the Gippsland Plains	50,000
Upper Goulburn Landcare Network	Lorax Project 2015	42,820
Upper Murray Landcare Network	Community Partnerships to Protect the Recreational and Environmental Values of Upper Murray River Reserves	49,785
Wangaratta Sustainability Network	Carp Muster – Removing Aquatic Pests	22,300
Warneet Friends Group	Warneet Nature Reserve Exclusion Fencing and Weed Control 2014–15	19,114
Warrnambool Mountain Bike Club Inc.	Reducing the Woody Weed and Pest Threats at Thunder Point Coastal Reserve	23,000
Wedderburn Conservation Management Network	Protecting Spring Soaks in the North Western Goldfields	49,950
Western Port Catchment Landcare Network	Connecting Habitat for the Endangered Helmeted Honeyeater	49,056

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Communities for Nature Grants Program Round 5 – Small-Medium Grants

Organisation	Program	Funding support \$
Whroo Goldfields Conservation Management Network	Linking the Landscape – Building Landscape Linkages and Resilience in the Whroo Goldfield's Box Ironbark Forests	50,000
Wildthings – Nature Explorers, Educators & Facilitators Inc.	Arthurs Seat Biodiversity Conservation Project	49,179
Wonthaggi Urban Landcare Group	At the Coalface – Wonthaggi Weed Action Stage (1)	46,000
Woodend Landcare Inc.	Weed-Free Five Mile Creek	28,400
Yarrilinks Landcare Network	Giving Back to the Yarriambiack	21,300
Yea River Catchment Landcare Group	Community Education and Rehabilitation Works along the Yea River Reserves	22,500

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Department of Environment, Land, Water and Planning

Funding Program: Victoria's Waste and Resource Recovery Policy: Regional and Rural Landfill Support Package

Organisation	Program	Funding support \$
East Gippsland Shire Council	Landfill Closure and RRC/TS Developments at Benambra, Gelantipy, Bonang, Bendoc and Mallacoota	143,000
Glenelg Shire Council	Landfill Closure and RRC/TS Developments at Dartmoor and Nelson	157,000
East Gippsland Shire	Landfill Closure and RRC/TS Development at Orbost	10,000
Glenelg Shire Council	Landfill Closure and RRC/TS Development at Portland	10,000
Glenelg Shire Council	Landfill Closure and RRC/TS Development at Casterton	10,000
Mildura Rural City Council	Landfill Closure and RRC/TS Development at Murrayville	10,000
Loddon Shire Council	Landfill Closure and RRC/TS Development at Inglewood	10,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Metropolitan Waste and Resource Recovery Group

Funding Program: Metropolitan Local Government Waste and Resource Recovery Fund: Competitive Grants

Organisation	Program	Funding support \$
City of Melton	Resale Centre Upgrade and Best-practice Hard Waste Collections	200,000
City of Monash	Diverting Polystyrene from Landfill	20,831
Maroondah City Council	Communicating with Culturally and Linguistically Diverse Communities in Multi-Unit Developments	66,000
City of Yarra	Community Resource Recovery Hubs	100,000
City of Yarra	Business/Shopping Precinct Resource Recovery Project	106,000
Moreland City Council	Bright Sparks: Small Appliance Reuse, Repair and Recycling	90,000
City of Yarra	Food Know-How: Regional Food Waste Avoidance Program	352,000
City of Melbourne	Improving Recycling in Multi-Unit Dwellings	200,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by the Metropolitan Waste and Resource Recovery Group

Funding Program: Metropolitan Organics Strategy: Metropolitan Organics Fund

Organisation	Program	Funding support \$
Citywide Service Solutions	Food Waste Recycling from Queen Victoria Market	300,000
Department of Health	Recycling Food Waste from Hospitals in the Parkville Precinct	200,000
City of Melton	'Back to Earth' at Melton Botanic Gardens	30,000
Garden State Mulching Services	Undercover Receival and Decontamination of Garden Waste for Transfer to a Composting Facility	125,000
Knox Transfer Station P/L	Coldstream Green Organics Receival and Compost Sales Area Upgrade	61,000
SITA Australia	Increase Recovery of Currently Unmarketable Oversize Organics Processing By-product	92,000
City of Whittlesea	Composted Green Waste to Peri-Urban Farms	15,000
Moreland City Council	Food Waste Recovery Hub	10,000
City of Monash	Improvements to Green Waste Bay to Reduce Contamination	128,000
Melbourne Cricket Club	Provision of an Organics Dehydrator to Process Food Waste Generated at the Melbourne Cricket Ground	20,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Regional Waste and Resource Recovery Groups Support Package

Regional Waste and Resource Recovery Group (WRRG)	Program	Funding support \$
Goulburn Valley	Improved Data Reporting	17,000
Loddon Mallee	Construction of Shed at Mildura Landfill	49,520
Gippsland	Gippsland Landfill and Transfer Station – Integrated Cost Modelling	25,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Community Sustainability Infrastructure Fund

Organisation	Program	Funding support \$
Glenelg Shire Council	Percy Street Public Place Recycling (PPR) Project	50,000
PGM Refiners Pty Ltd	LCD Recycling Plant	470,000
Benalla Golf Club	Benalla Golf Club Solar System	15,832
Toolamba Primary School	Toolamba Primary School Solar System	35,500
Woodend Primary School	Woodend Primary School Solar System	15,963
Close the Loop	Infrastructure Feasibility Study – Recycled Asphalt Additives Incorporating Waste Tyres, Paint and Toner	120,000
Mazenod College-Mulgrave	Mazenod College Solar System	50,000
Moyne Shire	East Beach Tip Protection	60,000
City of Greater Geelong	Geelong Energy Efficient Buildings	169,275
Pinewood Primary School	Sustaining Pinewood	7,921
Morgans Supermarket (Melton and Sunbury)	Morgans Supermarkets Strategic Energy-Efficiency Upgrades	22,510
Brunswick Secondary College	Recycling and Waste Reduction System Introduction and Case Study	18,500
Northern Grampians Shire	Feasibility Study – Identifying and Addressing Barriers to Recycling Tyres in Stawell	22,000
Kia-Ora Piggery Pty Ltd	Waste Food Value-Adding and Anaerobic Waste to Energy	380,000
Hepburn Shire Council	Waste to Energy Implementation Strategy	75,000
South Pacific Laundry	Boiler Infrastructure Upgrade	35,000
Hepburn Shire	Hepburn Shire Council – Kerbside Collection Expansion	110,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Community Sustainability Infrastructure Fund

Organisation	Program	Funding support \$
City of Ballarat	Ballarat Regional Mattress Recycling Project	209,000
Lord Somers Camp and Power House	Lord Somers Camp – Energy Efficiency and Organic Waste Reduction Program	39,313
Borough of Queenscliffe	Kerbside Green Waste Collection Implementation	123,086
Foamex Victoria	Upgrade Pre-expanders with Energy and Resource Efficient Equipment	110,000
Manningham City Council	Street Bin Infrastructure Upgrade	36,216
Goulburn North Eastern Association of Community Centres	Neighbourhood Energy Futures	8,250
Langford Arch Pty Ltd	Woodards Strategic Energy-Efficiency Upgrades	50,000
Corangamite Shire Council	Waste Diversion Improvements through Future Innovation and Action	200,000
CBM Australia	CBM Australia PV Solar System Installation	50,000
Green Collect	Growing Capacity and Innovation with Hard to Recycle Materials	50,000
MEFL	MEFL Bright Clean School Power – Solar Infrastructure Project	50,000
Kildonan Uniting Care	Energy Efficiency, Solar Power and Waste Reduction Project	50,000
Future Employment Opportunities	EPS Recovery for Recycling – Eaglehawk Eco Centre	30,000
Mawarra Centre Inc.	Baw Baw Wood Recovery and Solar Installation	50,000
City of Ballarat	Waste to Energy Commercialisation Process	100,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Smarter Resources Smarter Business Program: Building Business Capability Grants:

Organisation	Program	Funding support \$
Australian Industry & Defence Network – Victoria Inc.	Smarter Resources, Smarter Business: Productivity Spark – Improving Energy and Materials Productivity in Defence	50,000
Central Highland Agribusiness Forum Inc.	Smarter Resources, Smarter Business: Central Highland Agribusiness	48,340
WestVic Dairy Inc.	Smarter Resources, Smarter Business: Victorian Dairy Farmers View Simple Ways to Save Energy	49,990
Council of Textile and Fibre Industries of Australia	Smarter Resources, Smarter Business: Resilient and Competitive TCF through Energy and Material Efficiency	46,050
South East Business Network	Smarter Resources, Smarter Business Building Business Capability: SEBN 'Learning to See' Resource Efficiency Network	49,950
Geelong Manufacturing Council	Smarter Resources Smarter Business – Building Business Capability	50,000
Geelong Chamber of Commerce	Smarter Resources, Smarter Business: Lean Thinking and Resource Efficiency for Your Business	49,632
Restaurant and Catering Australia	Smarter Resources, Smarter Business: Food Waste Avoidance Demonstration Project	50,000
Agribusiness Gippsland Inc.	Smarter Resources, Smarter Business: Supply Chain Energy Smarts – Helping Regional Food Agribusinesses	50,000
AI Group	Business Support – Phase 1 – AI Group	458,000
VECCI	Business Support – Phase 1 – VECCI	331,945

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Smarter Resources, Smarter Business Program: Capital Funding Round 3 Grants: Materials Efficiency Projects

Organisation	Program	Funding support \$
Oakmoor Orchards Pty Ltd	Sunburn Protection for Apples via Evaporative Cooling	40,000
M. A. Rhodes	Increasing Productivity in Apple Growing through use of Drape Nets	27,710
MJ Rhodes and PJ Rafferty	Increasing the Productivity of a Cherry Orchard using a Rain Cover System	50,000
Airstep Australia Pty Ltd	Airstep Australia Pty Ltd – Skins Grinder (CAG026)	30,223
Moraitis Tomatoes Pty Limited	High Pressure Fogging System	50,000
Centre State Asphaltting Pty Ltd	Asphalt Waste Recycling Unit	50,000
Croydon Plaster Moulders	Plaster Profiles: Improving Material Efficiency	50,000
AFCOL Australia Ltd	High Efficiency, Over Pressure, Retort for Abalone Cooking and Sterilisation	50,000
Giorgio Dental Laboratories	Odonto.3D	48,910
Ballantyne Foods	Caustic Reuse Project	50,000
Waratah Enterprises	Steam Sterilization and Weed Management	10,855
Heslop Contract Casters Pty Ltd	Waste Reduction and Maximising Yield for Commercial Competitive Production of HPDC Magnesium Veterinary Capsules	50,000
Vincent Painting Contractors Pty Ltd	Investing in a Material Efficient Abrasive Blast Room Facility	50,000
Ferristex Pty Ltd	Semi-Automation of a Membrane System to Recover Salt	45,000
Trustee for Debetta Family (Mister Cabinets)	Investing in Material Efficiency at Mister Cabinets	47,300
A.G. Brown Sawmill Pty Ltd	Improved Process Control for Kiln Drying Back-cut Hardwood Timber	50,000
Roman Hall Pty Ltd (La Madre Bakery)	Dough Cutting Production System	14,950
Gracro Industries Pty Ltd (T/A Showerline)	Shower Injection Machine and Transfer Pumps	50,000

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Smarter Resources, Smarter Business program: Capital Funding Round 3 Grants: Energy-Efficiency Projects

Organisation	Program	Funding support \$
Ace Wire Works Pty Ltd	Energy Efficient Lighting Upgrade	17,748
Kellock Lodge Alexandra Inc.	Kellock Lodge – Movement Sensor Lighting Installation	4,550
Aurora Australis Holdings Pty Ltd (Canterbury Windows and Blinds)	Energy Efficient Lighting at Canterbury Windows and Doors	25,000
Barden Fabrications Pty Ltd	Light Sensor Installation and Energy Efficient Lighting Retrofit	14,184
Lipska P/L for Coldon Homes (The Coldon Homes Unit Trust)	Intelligent LED Lighting Retrofit with Daylight Harvesting and Occupancy Detection	25,000
San Carlo Homes for the Aged	Installation of LED Lighting	19,261
Ceres Natural Foods (Pureharvest)	Pureharvest – LED Lighting Upgrade with Time, Ambient and Motion Control	25,000
Kincrome Australia Pty Ltd	Innovative Lighting Re-design – Linear High Bay with Deflectors and Motion Sensors	25,000
Shepparton Retirement Village	Installation of LED Lighting	25,000
Textor Technologies Pty Ltd	Factory Lighting Upgrade 2014	25,000
Condor Pty Ltd	Bell Tower Inn Energy Efficiency Project – Lighting Upgrades and Installation of AC Energy Controllers	2,225
HC Industries	Efficiency Improvements via Switching to VSD Air Compressor, Increasing Natural Lighting, Installing Light Level Sensors and Changeover to LEDs	25,000
The Trustee for Boronia Unit Trust T/A Zagames Boronia Club Hotel	2014 Energy-Efficiency Works Including Cool Roof Installation and Window Tinting	17,495
Common Equity Housing Ltd	Energy Efficiency Upgrades to CEHL Head Office	19,595
Lions Village Licola (Licola Wilderness Village)	Licola Wilderness Village Diesel Generator Efficiency and Electricity Demand Management	25,000
Lyndale Trading Co Pty Ltd (Lyndale Farm)	Lyndale Lights, Fans and Hydronic Heating Energy Efficiency Retrofit	25,000
BD & AT Smith Pty Ltd ATF Barry Smith Family Trust	BD & AT Smith Pty Ltd – Vacuum Pump System for Rotary Dairy	10,140
Princes Linen Services Pty Ltd	Princes Linen Services Pty Ltd – Boiler Efficiency Project	25,000
J&D Conti Pty Ltd (Conti Orchards)	Conti Orchards Packhouse Energy-Efficiency Upgrade	25,000
The Emu Company Pty Ltd	Game Meats Company of Australia Pty Ltd – Heat Reclaim System Installation of a De-superheater Heat Exchange	25,000
Arneb Pty Ltd (Foodworks Corryong)	Energy Efficient Improvements in Food Retail Plant and Equipment	14,609

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS		
Overseen by Sustainability Victoria		
Funding Program: Smarter Resources, Smarter Business program: Capital Funding Round 3 Grants: Energy-Efficiency Projects		
R Radford and Son Pty Ltd	Optimizing Abattoir Energy Efficiency	25,000
Austco Polar Cold Storage	Austco Polar – New Evaporative Condenser	25,000
Vawdrey Manufacturing	Installation of New Variable Speed Drive Air Compressor	25,000
Montague Coldstorage	Installation of Evaporator Fan Speed Control – South Building	25,000
Caswell Nominees Pty Ltd as Trustee for The Alpine Toboggan Park Unit Trust	Funfields – Variable Frequency Drives to Water Pump Motors	15,560
Results Fitness Consulting Pty Ltd	Variable Speed Drive Upgrades to Sea Baths Pool and Spa Pumps	10,872
CMTP Pty Ltd	CMTP Pty Ltd – Installation of Variable Speed Drives on Dust Extraction Systems	18,737
Wingara Wine Group Pty Ltd	Agitator Replacement Project	25,000
Tian Ai International (Proud Chic)	Proud Chic – Efficiency Initiative	25,000
Sims Markette Pty Ltd ATF The Sims Western Trust	Refrigeration Energy Efficiency Project	13,622
Stefano's Mildura Brewery Pty Ltd	Stefano's Mildura Brewery - Energy Efficiency Improvements to Steam and Refrigeration Systems	25,000
JC Quality Foods	JC Quality Foods – Efficiency Initiative	25,000
NDY Management Pty Ltd	NDY Group 115 Batman Street Energy Efficiency Tuning	15,744
Tahbilk Pty Ltd	Tahbilk Pty Ltd - Tahbilk Refrigeration Plant Improvement	7,750
Hilustre Coatings Pty Ltd	Hilustre Coatings Pty Ltd - Powder Coating Modification Project	22,753

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: Smarter Resources, Smarter Business Program: Resource Assessment Grants

Organisation	Program	Funding support \$
Integrity Fruits	Energy Assessment	4,320
Nobody Denim	Materials Assessment	17,800
Taltarni Vineyard	Energy Assessment	5,175
The European	Materials Assessment	16,620
Common Equity Housing Ltd	Energy Assessment	4,800
DABT Pty Ltd (Foodworks Inverloch)	Energy Assessment	6,000
Ryan & McNulty Pty Ltd	Materials Assessment	13,050
Arneb Pty Ltd (Foodworks Corryong)	Energy Assessment	5,500
Nulab Professional Imaging P/L	Materials Assessment	4,125
International Flavours and Fragrances	Materials Assessment	18,000
Wingara Wine Group Pty Ltd	Energy Assessment	13,200
Doyles Bridge Hotel Pty Ltd	Energy Assessment	5,175

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Sustainability Victoria

Funding Program: ResourceSmart Schools (previously ResourceSmart AuSSI Vic)

Organisation	Program	Funding support \$
208 Victorian Schools	Energy Efficiency Grants	10,000 per school
1 Victorian School	Energy Efficiency Grant	6,750

NEW ALLOCATIONS MADE UNDER EXISTING SUSTAINABILITY FUND SUPPORT PROGRAMS

Overseen by Department of Environment, Land, Water and Planning

Funding Program: Environmental Partnerships – Protecting Native Vegetation and Threatened Species

Organisation	Program	Funding support \$
Wimmera CMA, Glenelg Hopkins CMA	Protecting Native Vegetation	2,536,476
Corangamite CMA	Protecting Native Vegetation	451,537
Mallee CMA	Protecting Native Vegetation	1,594,752
North Central CMA, North East CMA, Goulburn Broken CMA	Protecting Native Vegetation	4,584,089
West Gippsland CMA	Protecting Native Vegetation	431,274
Grants (for 249 threatened flora and fauna actions)	Protecting Threatened Flora and Fauna	3,500,000

Appendix 5 Risk attestation



Level 28
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Risk Attestation

I, Ross McCann, certify that Sustainability Victoria has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes.

Sustainability Victoria's Audit, Risk and Finance Committee verifies this.

Ross McCann
Interim Chair
Sustainability Victoria

Melbourne
18 August 2015



Appendix 6 Glossary of acronyms

Acronym	Description
DEDJTR	Department of Economic Development, Jobs, Transport and Resources
DELWP	Department of Environment, Land, Water and Planning
DTF	Department of Treasury and Finance
EPA	Environment Protection Authority Victoria
KABV	Keep Australia Beautiful Victoria
OCI	Organisational Culture Index
MWRRG	Metropolitan Waste and Resource Recovery Group
SWRRIP	Statewide Waste and Resource Recovery Infrastructure Plan
VLAA	Victorian Litter Action Alliance
WRRGs	Waste and resource recovery groups

