

Annual Report

2015–16
Towards SV2020

Leadership on Climate Change

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Sustainability Victoria Annual Report 2015–16

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Foreword from the Chair and CEO

It's been an historic year for sustainability and climate change across the world. The Paris Climate Change Conference (COP21) in late 2015 saw nations agree to limit global temperature rise to no more than 2 degrees. The Victorian Government has committed to restoring the state's position as a leader in climate change, and Sustainability Victoria's (SV) task, along with our government colleagues, is to find a way to convert international momentum into local action. SV had already started forging stronger connections with the community through a series of climate conversations across the state, culminating at the Minister's Climate Change Leadership Forum in December, where community views helped shape government policy and the development of Sustainability Victoria programs.

Just six months after COP21 Premier Daniel Andrews joined the Minister for Energy, Environment and Climate Change Lily D'Ambrosio to launch the world's first government-led voluntary climate change pledge program TAKE2, which Sustainability Victoria will deliver. The program recognises the important work already undertaken by local government, business and the community and supports Victorians to take practical action on climate change. Their pledges will also encourage and inspire additional action across all these sectors.

Our renewed focus on climate change is a key component of our five year strategy, *Towards SV2020*, which supports the government's climate change and energy reforms while delivering our statewide waste planning responsibilities. In 2015-16 SV:

- › launched TAKE2, the first government led voluntary climate change pledge program;
- › commenced delivery of Victoria's 30 year Statewide Waste and Resource Recovery Infrastructure Plan;
- › assisted the establishment of Australia's first Paint Stewardship scheme, the culmination of a decade's work by SV, its predecessors and the paint industry;
- › helped fund Dandenong's innovative BluBox LCD recycling plant, increasing Victoria's e-waste recovery capacity by 2,500 tonnes per annum;
- › helped fund five new kerbside organics collection services, benefiting 48,000 Victorian households, and resulting in over 17,000 tonnes of food and garden waste collected per annum;
- › delivered 31 mobile chemical collections across metropolitan and regional Victoria, assisting 3,736 people to safely dispose of harmful household chemicals;
- › provided guidance and funding to 20 commercial office buildings to complete energy efficiency improvements, delivering on average a 29 per cent reduction in energy use and over 1.1 million in energy saving per annum;

- › held nine Climate Conversations across regional Victoria, attended by over 250 people from community groups, local and state government, business and education;
- › since 2011, we have reached 1,212 Victorian schools through our ResourceSmart Schools program, representing 54% of Victorian schools and 603,000 students; and
- › provided trusted information on household energy efficiency, waste and recycling to 326,035 visitors to our website.

This year also marks the first time in the ten years since our agency was created, that responsibility for climate change, energy, waste and environment all sit within the one Victorian Government portfolio and under our Minister, the Hon. Lily D'Ambrosio. This presents an incredible opportunity to integrate our expertise and combine community engagement, supporting policy development and program design seamlessly. The Victorian Government has embarked on an ambitious reform agenda that will transform our economy and community through the Climate Change Framework, Victoria's Energy Efficiency and Productivity Statement, Renewable Energy Roadmap, the New Energy Technologies Sector Strategy, and the Statewide Waste and Resource Recovery Infrastructure Plan. SV is well placed to deliver on the government's priorities across energy, materials and waste in an integrated way, with our work spanning the breadth of sustainability.

As a new Chair, having joined SV in February 2016, I would like to thank Ross McCann for his work as Interim Chair over much of this past year and through the development of the *Towards SV2020* strategic plan. Thank you also to outgoing Board member Suzanne Evans, who was our longest standing Board member, providing strategic insight and direction since 2009. Thank you also to outgoing Minister, Hon. Lisa Neville, for her invaluable guidance and leadership throughout the year.

We are proud of what Sustainability Victoria has delivered this year and we look forward to the opportunities and challenges of the next few years as we work with the community to tackle climate change and create a thriving, sustainable future for all Victorians.



Heather Campbell
Chair



Stan Krpan
Chief Executive Officer

About Sustainability Victoria

Our vision

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

Our vision is for a sustainable and thriving Victoria. We help households, businesses and the broader community take action on climate change by adopting more sustainable practices to ensure a healthy environment, community and economy. We do this through practical programs, investment and support that increase productivity and manage waste and resource recovery in an integrated way.

The responsible Ministers during the 2015-16 reporting period were:

- › the Hon. Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 1 July 2015 to 22 May 2016; and
- › the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change for the period from 23 May 2016 to 30 June 2016.

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 *Environmental Protection Act 1970*, Sections 50AA to 50AH, Part IX, Division 2AC.

Our purpose

SV is dedicated to a sustainable, thriving future for Victoria by improving how the community manages its resources and by helping people to take practical action on climate change.

To reduce waste, increase resource recovery and encourage energy efficiency and renewables, we collaborate closely with our partners, including the Department of Environment, Land, Water and Planning (DELWP), the Environment Protection Authority Victoria (EPA) and the state's seven Waste and Resource Recovery Groups (the Groups) including the Metropolitan Waste and Resource Recovery Group.

Our strategic plan, Towards SV2020

This annual report covers the foundation year of our five-year strategy, *Towards SV2020*. It outlines what we've done this year toward achieving our strategic priorities — reporting specifically against outcomes — and delivery of our 2015-16 Business Plan.

Towards SV2020 supports the Government's renewed leadership in climate change action and directs us towards measurable outcomes in climate change mitigation, energy efficiency and our statewide waste planning responsibilities. The strategy supports our vision for delivering a sustainable, thriving Victoria across these four key areas:

- 1 Helping the Victorian community take action on climate change
- 2 Helping the Victorian community use energy and materials sustainably
- 3 Helping the Victorian community reuse and recover materials
- 4 Leading planning for an integrated waste and resource recovery system and supporting the responsible management of waste.

In year one of the strategy, our community engagement and research informed the Victorian Government's climate change response and built the case for improving energy use in households, commercial office buildings, and small and medium businesses. This culminated in our voluntary pledge program TAKE2, supporting action on climate change for local government, business, industry, and the community which was launched on 9 June 2016.

We also continued to lead statewide waste and resource recovery planning, working with government and industry to deliver a safe, integrated waste and resource recovery system in Victoria. This year we commenced implementation of Victoria's 30 year plan for waste and resource recovery outlined in the Statewide Waste and Resource Recovery Infrastructure Plan (State Waste Plan) and supported the seven Groups to develop integrated and locally relevant implementation plans across Victoria. We released two key elements of the plan, the Victorian Organics Resource Recovery Strategy and the Victorian Market Development Strategy for Recovered Resources. Both provide statewide approaches to better managing organic waste and priority materials.

To deliver *Towards SV2020* we have continued to build upon our business enablers and program design, strengthening our ability to adapt and improve how we design and deliver our work. Our performance in these six capabilities is outlined in Part 4:

- 1 Evidence and research
- 2 Collaboration and partnership
- 3 Innovative business and finance models
- 4 Operational excellence
- 5 People & Culture
- 6 Innovation and adaptability

Much of our research and community engagement this past year has supported the development of the Victorian Government's Climate Change Framework, Energy Efficiency Productivity Statement and Renewable Energy Action Plan. With these important strategic pieces under development, we will update *Towards SV2020* with practical action that supports delivery across the state.

Table 1 shows the *Towards SV2020* outcomes we've committed to and the 2015–16 priorities and initiatives contributing to these. Part 4 of this report assesses our performance in delivering these priorities and initiatives.

Our performance

Delivering for Victoria



New kerbside organic collection services in 5 local government areas

equates to

48,000

Victorian households serviced

17,000+

tonnes pa collected

TAKE2

Victoria's climate change pledge

Launched TAKE2, a statewide campaign for Victorians to pledge that they will take practical action against climate change.



Worked with Waste and Resource Recovery Groups to support waste infrastructure investment in the regions.



1,500+
tonnes

household chemicals safely disposed

This year
↑ 36%

since 1994

9,300+
tonnes

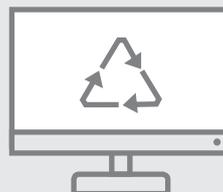


3,736

people attended **31**
mobile Household Chemical Collections across Victoria.



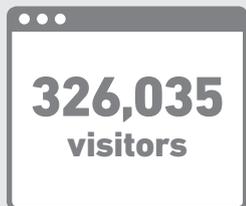
We funded **22** regional and rural transfer station sites to improve resource recovery rates and site safety and efficiency.



↑ 2,500
tonnes pa

Improved Victoria's electronic waste recovery capacity through commissioning of BluBox LCD recycling plant.

Sustainability Victoria's achievements for 2015–16



received information on **household energy efficiency, waste and recycling** on our website.

We reached over **700,000** facebook users with **120,000** people

directly engaging with our videos and food waste messages



Making our business more effective

More of our stakeholders agree we have got better delivering on our promises.



Participate Sustainability Victoria, our consultation platform, received

8,700
visitors

4,072
people
downloaded information for discussion

753
people
contributed through surveys and forum discussions

Reducing our footprint

We continue to reduce our office based GHG emissions.



5,792
tonnes GHG pa

\$1.8
million
energy costs pa



Generated overall savings for **businesses and commercial office buildings**

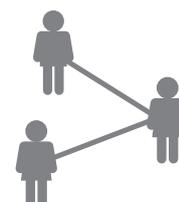
We helped 20 commercial office buildings achieve a:

29% reduction (Avg) in energy use

★ **projected 1 star average NABERS improvement**

3 **less than 3 year payback on upgrades**

Innovation



Built an award winning Customer Relationship Management system to make it easier for our stakeholders to work with us.

ResourceSmart Schools reached

1,212 **54%** **603,000**

Schools since 2011

Victorian Schools

Victorian Students

TABLE 1: SUMMARY OF SUSTAINABILITY VICTORIA OUTCOMES AND INITIATIVES IN 2015–16*

Strategic priorities	What you'll see in 5 years	2015–16 Programs
Helping the Victorian community take action on climate change	The Victorian community is contributing to and can see tangible progress towards Victoria's climate change objectives Energy savings, greenhouse gas abatement and other benefits are being realised across the sectors that SV works with.	Helping the Victorian community respond to climate change* TAKE2*
Helping the Victorian community use energy and materials sustainably	Victorians are transforming the way they use energy to make their homes more efficient and comfortable. Victorians are living more sustainably to minimise and avoid waste.	Smarter Households (Smarter Choice, and Smarter Renovations) Love Food Hate Waste First Rate 5
	Victorian businesses value and integrate sustainable energy and materials use in their business practice.	Business Productivity Program
	Targeted building sectors are transforming the energy performance of their facilities and the way they use other resources.	Energy Efficient Office Buildings Calculating Cool
Helping the Victorian community reuse and recover materials	The Victorian community is prepared to dispose of e-waste appropriately and has access to disposal options to maximise recovery.	E-waste
	The Victorian organics industry is processing and selling increased volumes of organics products.	Victorian Organics Resource Recovery Strategy Sustainable Markets* Quality Assurance and Product Specification* Biomass Mapping in Victoria* Advanced Organics Processing Technology Onsite Anaerobic Digestion Fund*
	Tyres at the end of their life are being recovered and there is an established growing market for tyre-derived products and/or fuels. The volume of used tyres in stockpiles has declined.	Tyres Intervention Program
	Targeted materials are being safely disposed of and, where possible, being reused in new products for which there is a demand. Industry is participating in product stewardship schemes for paint.	Detox your Home (Household chemical and targeted products collection service) Batteryback Paint Stewardship Scheme (Product Stewardship) Priority Recovered Resources*

Strategic priorities	What you'll see in 5 years	2015–16 Programs
Leading planning for an integrated waste and resource recovery system and supporting the responsible management of waste	Government and industry are making improved decisions about an integrated waste and resource recovery system that meets the needs of current and future Victorians.	Statewide Waste Planning Collaborative Procurement Services Waste Data Service Improving Resource Recovery Facilities* Optimising Kerbside Collection Systems*
	The Victorian community understands the value of the waste and resource recovery system as an essential service, and Victorians are supported to dispose of items correctly.	Waste Education Strategy Victorian Litter Plan* Engaging the Community on Waste* Education to Improve Resource Recovery* Victorian Litter Action Alliance
	Private and public investment in waste and resource recovery infrastructure aligns with the State Waste Plan and the seven implementation plans (waste plans) to meet the needs of Victorians now and in the future.	Investment Facilitation Service Building Victoria's Organics Recovery Community Sustainability Infrastructure Fund Driving Investment for New Recycling Kerbside Food/Garden Organics Recovery Landfill Liners Improvement Program Regional Victoria Landfill Support Program Regional Victoria Transfer Station Upgrades Australian Packaging Covenant Social Value from Waste

*New program put in place in 2015–16. All others as listed in the 2015–16 business plan with some name changes.

Our stakeholders

This year we began work on increasing our program reach and effectiveness. *Towards SV2020* commits us to working with the Victorian community in a more diverse way, acknowledging local government, business and community groups as leaders and how we might support them to reach their communities and householders. Our board, executive and staff recognise, appreciate and thank our partners and stakeholders for their vital support and contribution.

Our broad range of stakeholders is in keeping with our statutory objective to facilitate and promote environmental sustainability. Our stakeholders are based in metropolitan Melbourne, urban fringe areas and regional and rural communities and represent diverse perspectives:

- › Individuals and households
- › Business and industry, including:
 - peak business and industry councils and associations
 - commercial building sector
 - construction and demolition sector
 - retailers and service providers
- › Local authorities and government:
 - Victoria's 79 local governments
 - Department of Environment, Land, Water and Planning
 - Environment Protection Authority Victoria
 - Waste and Resource Recovery Groups
 - Department of Economic Development, Jobs, Transport and Resources
 - Department of Education and Training
- › Community organisations:
 - peak bodies
 - sustainability alliances
- › Education sector:
 - primary and secondary schools
 - early childhood centres

Our programs

Helping the Victorian community take action on climate change

The impact of climate change on the Victorian community, environment and economy demands a response from all levels of society. The Victorian Government is working with community and business to restore Victoria's leadership in taking action on climate change. To this end we've engaged with the Victorian community, launched a voluntary pledge program and informed the development of policy and Victoria's first interim emissions reduction target for 2020.

What you'll see by 2020	2015–16 goal	Results for 2015–16
<p>The Victorian community is contributing to and can see tangible progress towards Victoria's climate change objectives.</p> <p>Energy savings, greenhouse gas abatement and other benefits are being realised across the sectors that SV works with.</p>	<p>By providing a platform for the Victorian community to share its aspirations, needs and priorities, the Victorian community has contributed to Victoria's climate change response and is supported to take practical action.</p>	<p>We held nine Climate Conversations across regional Victoria, attended by over 250 people from community groups, local and state government, business and education.</p> <p>We supported and promoted community climate change activities through a new online network and our digital and traditional communications channels.</p> <p>We launched TAKE2, a voluntary pledge program supporting action on climate change for local government, business, industry, and the community.</p>

Highlights

The Victorian Government has refocused SV's role to help achieve its commitment to restore Victoria as a leader in climate change action.

We began to re-engage the community and key stakeholders on climate change to better understand the current landscape at a local level, as well as around Australia and internationally. We held a series of *Climate Change Community Conversations* across the state in Warragul, Horsham, Stratford, Ballarat, Swan Hill, Geelong, Castlemaine, Warrnambool and Benalla throughout October and November 2015. We learned about the work of local groups delivering grassroots climate change action, sought their views on proposed policy options and discussed key local priorities, barriers and needs. Statewide themes that emerged highlighted the need for:

- › strong, lasting leadership on climate change and support for action.
- › clear policy direction and a strong ongoing action narrative that reaches and motivates all Victorians
- › better government processes and decision making, particularly in:
 - integrated policy, planning and delivery across state and local tiers of government and resources (water, energy, land and biodiversity)
 - regulatory barriers and planning frameworks
- › tangible, practical local community support.

Our online platform Participate Sustainability Victoria is enabling us to continue the conversation.

We also supported DELWP to deliver a Climate Change Leadership forum and a series of sectoral round tables to help develop Victoria's Climate Change Framework.

On 9 June 2016, Premier Daniel Andrews announced Victoria's emissions reduction target of net zero greenhouse gas emissions by 2050, the Government's response to the independent review of the *Climate Change Act 2010*, and 'TAKE2', a voluntary pledge program, led by SV, for local governments, business, industry, and the community to take action on climate change. TAKE2 showcases the great work already being done across the state and local governments, business and community to reduce emissions, and will grow to be a springboard for Victoria's ongoing long term shift to a net zero emissions economy. TAKE2 will also showcase the practical actions the Victorian Government is taking to reduce emissions from government's own operations, as well as detail actions through policy, regulations and programs to reduce emissions across the economy. Over 450 parties had taken the pledge within the first two weeks.

Understanding the community and what matters to them is an integral part of helping Victorians respond to climate change. We commissioned BehaviourWorks Australia to review existing research into community beliefs, attitudes, values and expectations for responding to climate change. Further social research will be conducted in late 2016 and will be released in 2017.

Climate Change Community Masterclass Series

To better understand the needs and aspirations of the Victorian community to take action on climate change we held nine 'Climate Change Community Conversations' across regional Victoria in October and November 2015. The conversations were with communities in Warragul, Stratford, Geelong, Warrnambool, Horsham, Ballarat, Swan Hill, Castlemaine and Benalla.

Here, we heard first-hand what the community see as the challenges, opportunities and priorities for climate change action at a local level. Six strategic climate change themes were presented at the workshops, with 'Building community awareness and motivating community members to take action' ranked as the highest priority by community representatives across the state.

Overwhelmingly, groups and their participants said they were tired and fatigued and wanted support from government to build their own capability and capacity to enable them to do more.

To respond to this call and help reinvigorate and energise communities we designed the Climate Change Community Masterclass Series for regional Victoria's volunteer community groups. We engaged Strathbogie Voices, a leading and successful community group, to design and deliver peer to peer facilitated community workshops.

Strathbogie Voices had successfully run and facilitated The 2015 Euroa Environment Series, a series of nine community workshops for their local area. The topics for their series were based on the impacts of climate change with each event including guest speakers. The first event attracted 140 people who were crowded into Euroa's old flour mill and heard from climate scientist David Karoly. The group prepared a document and video and presented it at Paris's COP21 as part of the community presentations. Following the Euroa Environment Series and COP21 the group ran an evening Hawkers Market to celebrate the success with the local community and 1500 people attended the night of local food and music.

Masterclass workshops were held in: Benalla, Morwell, Bendigo and Geelong. Some of the unique elements of this series were:

- › Workshops designed and delivered by a community group for community groups (peer to peer learning)
- › Workshops held on weekends and in the evening to recognise the challenge of the competing demands of volunteers and encourage greater participation
- › Learning from others facing similar challenges and sharing innovative tips and techniques used by groups
- › Working with other members of communities to build a project idea and build networks.

“We were able to connect with the community groups who attended and based on our experience of the past 18 months we were able to share lots of ideas, successful project methods and engagement tips.”

*Kate Stothers
Strathbogie Voices*

“I was overwhelmed by your amazing, effective group and inspired by the presentation. We are hoping some more of our committee can go to the Geelong presentation, to understand a broader scope to their thinking and to make contact with other Geelong groups.”

*Liz Wilson
Macedon Ranges Sustainability Group*

“Thank you again for an inspiring and practically helpful session on Sunday.”

*Peter Wonfor
Energy Innovation Coop.*

2 Helping the Victorian community use energy and materials sustainably

Supporting Victorian households to improve the energy efficiency of their homes and minimise food waste.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
Victorians are transforming how they use energy in making homes more efficient and comfortable.	Help build a case for change to improve the efficiency of Victoria's housing stock and appliances, and support Victorian households to access and apply information about using energy more efficiently and minimising food waste to reduce their household bills.	<p>We strengthened the case for improved energy use in residential housing and worked with partners to guide government investment and regulation.</p> <p>282,382 visitors received trusted information on household energy efficiency on our website.</p> <p>Increased engagement with the Love Food Hate Waste program by 300 per cent and helped more than 700,000 householders access practical advice on minimising food waste</p>

Household Energy Efficiency

Most Victorian homes were built before energy efficiency regulations were introduced in 1991 and so they have a very low thermal efficiency. SV helps Victorians understand where they use energy and help them take action to reduce their energy consumption around the home to ease their household bills. This includes conducting thorough, technical research using real data from homes across Australia and using this information to inform government policy and programs, industry standards and household choices.

Highlights

In 2015–16 our extensive research into household energy use and its impact on climate change helped build a case for improved action that influenced Victorian and Federal Government policy, guided investment and regulation and future programs.

Our series of reports, due for publication in 2016-17, form a solid evidence base on the energy efficiency potential of the Victorian housing stock and future trends for residential energy consumption and greenhouse gas emissions. We also conducted research into the real-life outcomes of energy efficiency upgrades to the building shell, lighting and key appliances.

Our expert technical advice contributed to the continuation of the Victorian Energy Efficiency Target (VEET) Scheme. Our work also informed the Victorian Government's forthcoming Energy Efficiency and Productivity Strategy.

We also developed a tool to support Victoria's move towards a low-carbon economy. The Carbon Neutral calculator analyses how changes to the building shell, appliances, house energy efficiency and a number of other factors will lead to households becoming carbon neutral. It provides an evidence base for developing cost-effective pathways towards carbon neutrality.

SV also continued its significant role in the development of national energy efficiency standards and labelling for equipment and appliances, representing Victoria on the cross-jurisdictional Equipment Energy Efficiency (E3) program. The Commonwealth, states and territories and the New Zealand Government collaborate on a single, integrated program on energy efficiency standards and labelling for equipment and appliances. Through our role in E3, we developed a Commonwealth Regulatory Impact Statement on domestic and commercial air conditioners which has the potential to significantly improve minimum energy performance standards.

This year in partnership with the E3 Program and the NSW Office of Environment and Heritage (NSW OEH) we launched the Energy Rating Calculator and App for appliances (formerly the Smarter Choice Calculator) on the SV and Energy Rating websites. More than 18,000 people — including 10,000 Victorians — used the calculator, which analyses the running costs of different appliances, to make more informed purchasing decisions. In 2015–16 more than 282,382 visitors received information on household energy efficiency from our website.

As a result of the success of the Smarter Choice program in NSW and Victoria, in 2015–16 SV and NSW OEH partnered with the Commonwealth Department of Industry, Innovation and Science's National Equipment Energy Efficiency Program to expand the program nationally. The transition enabled retailers nationwide to implement Smarter Choice, including Harvey Norman, The Good Guys, JB Hi-Fi, David Jones, MYER, Camberwell Electrics, E & S Trading, Betta Home Living, Bunnings, Masters and Mitre 10. To support the transition we developed online training and information and advice to enable retail staff to provide point-of-sale advice to customers. This will encourage customers to purchase energy efficient appliances and sustainability products such as insulation, lighting and draught proofing to reduce energy use, bills and emissions.

Household Food Waste Avoidance

This year we continued to raise awareness of food waste and promote household waste minimisation practices, driving a 300 per cent increase in people engaging directly with the Love Food Hate Waste program on Facebook. Every year, 250,000 tonnes of avoidable food waste is sent to landfill by Victorian households costing each an average of \$2,200. Household food waste places unnecessary strain on landfills and wastes vital resources, as well as creating up to 400,000 tonnes of CO₂-e each year.

Highlights

Our two major campaign pulses this year delivered impressive results, well over the target of reaching 50,000 Victorians. Our December 2015 pulse delivered significant regional earned media, reaching more than 50,000 people, and was seen by more than 25,000 Facebook users. In June 2016 we launched the 'I Love Leftovers' promotional pulse targeting grocery-buyers and home cooks with little knowledge about food waste. The campaign's innovative content marketing approach, with targeted video and recipe content on popular websites including Mamamia, Huffington Post, and Taste.com.au was a resounding success. Within three weeks the campaign achieved:

- › 700,000 Facebook post views, engaging directly with 120,000 people
- › 1,200 new followers for the Love Food Hate Waste Facebook page
- › SV's most-watched video ever with 31,000 views and counting
- › Significant leverage of partner audiences with the Better Health Channel, local councils, waste and resource recovery groups, food bloggers, dieticians and food industry publications all promoting campaign messaging.

We provided funding for councils to deliver food waste events in their communities, enabling them to embed the Love Food Hate Waste message directly in their communities through workshops, talks and cooking demonstrations. With nine events scheduled for June – September 2016, local government across the state will be working face-to-face with up to 600 locals to teach them the benefits of reducing food waste and providing tips and skills they can implement in their daily lives. We also provided an online toolkit and training program to support local government deliver the campaign more broadly, with training workshops scheduled for the first quarter of 2016-17.

The Love Food Hate Waste campaign is also bringing together major food waste stakeholders, including SecondBite, OzHarvest, FoodBank, FareShare, Coles and other food waste-conscious businesses which joined SV and the media at our no-waste breakfast as part of the New Joneses' event at February's Sustainable Living Festival. 900 children from 14 schools, 10 event partners from across the sustainability sector and thousands of people come through the house to learn about sustainable living and reducing food waste.

Award winning Love Food Hate Waste

In October 2015, Love Food Hate Waste Victoria won a National Public Relations Institute of Australia Newsroom (PRIA) award in the sustainability/corporate social responsibility category. It was also highly commended in the government sponsored campaign category and commended in the content marketing category. The award recognised the campaign's innovative and effective use of digital and social media to reach target audiences.

Business

Business accounts for about a third of Australia's GHG emissions and about 4 million tonnes of waste in Victoria a year. There is considerable opportunity for change in this sector which could deliver significant benefits not only to Victoria's natural environment but to the economy as well.

Our Business Productivity program helps small to medium enterprises build their knowledge and skills to integrate sustainable practices to address these environmental issues while improving their competitive edge in the market.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
Victorian businesses value and integrate sustainable energy and materials practice.	Continue to promote the benefits of energy and materials efficiency and support Victorian businesses to identify and implement productivity improvements.	<p>We helped over 150 businesses build knowledge and skills in energy and materials efficiency through business networks and energy and material assessments.</p> <p>We supported the production of 12 video case studies showcasing how Victorian small and medium enterprises are improving sustainability, saving money and innovating. These case studies are broadcast by <i>Sky News</i> on Jon Dee's <i>Smart Money</i> program and will be available on SV's Youtube channel.</p>

Highlights

In 2015–16 we continued to demonstrate the value to small and medium enterprises of reducing consumption of energy and resources, helping them implement changes in their own businesses and share their experiences with other businesses to increase uptake across the sector. The work we completed this year delivered annual savings of \$838,490, 1,487 tonnes of waste and 1,215 tonnes of greenhouse gas emissions.

Working directly with businesses SV undertook 47 assessments and demonstrated the potential for small and medium enterprises to find average annual energy and materials savings of more than \$60,000 per business. The combined annual saving potential identified in the assessments was in the order of \$1.5 million per annum. We also tapped into local business networks around the state and across manufacturing, retail and services sectors to build relevant knowledge and skills in over 150 businesses.

Responding to feedback from businesses about what would help encourage them to implement energy and material efficiencies, in 2015–16 we introduced the Business Champions initiative to bring similar businesses together and provide opportunities to share ideas and undertake site visits to see first-hand a business's approach to resource efficiency and the resulting benefits.

More than 150 people attended Business Champions network forums across the state with surveys finding that 88 per cent of attendees were more likely or very likely to seek more information on energy and/or materials efficiency technologies.

Through our partnership with Sky News and the NSW OEH we showcased innovative Victorian businesses on the *Smart Money* program. The Sky News program is targeted at businesses wanting to save money by being more sustainable, providing a valuable platform for SV's message. The video case studies will be available for SV to use as an ongoing educational resource to help encourage more businesses to take similar measures.

Mid-tier office buildings

Mid-tier office buildings represent 80 per cent of Victoria's office buildings and emit over 1.3 million tonnes of CO₂-e per annum. Improvements in building energy and waste performance also improve tenant comfort and productivity, making this a sector with significant opportunity to deliver improved environmental and economic outcomes for Victoria.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
Targeted building sectors are transforming the energy performance of their facilities and how they use other resources.	Mid-tier office building operators can demonstrate the benefits of improving the energy performance of their facilities.	<p>We helped 20 mid-tier building owners with energy efficiency improvements.</p> <p>We developed and marketed a tool for benchmarking commercial office building heating, ventilation, air conditioning and cooling (HVAC) systems.</p>

Highlights

SV's work in 2015–16 has helped drive the push for change in the mid-tier office building sector at a national level through research and analysis, bringing key players together and demonstrating the potential for the sector to significantly contribute to greenhouse gas abatement, economic productivity and health and wellbeing.

We helped form a new national working group, to bring together key stakeholders and share intelligence on how to transform the mid-tier market, which includes:

- › Green Buildings Council of Australia
- › Cities of Melbourne and Sydney
- › AIRAH
- › Property Council of Australia
- › Facility Management Association
- › Energy Efficiency Council
- › the Commonwealth
- › NSW Office of Environment and Heritage
- › NABERS

We worked with 20 mid-tier buildings to implement cost-effective energy efficiency improvements and share learnings to build the case for greater investment in their energy performance.

In 2015–16 the 20 Victorian buildings participating in the program are realising the benefits including:

- › average 29 per cent reduction in energy use
- › over 4,000 tonnes CO₂ emissions reduction over a 12 month period
- › over \$1.1 million in savings in energy bills per annum
- › projected 1 star average NABERS Energy improvement
- › less than 3 year payback on efficiency investment
- › reduced variability in office temperatures and a demonstrable link between building performance improvements and comfort improvements for building occupants
- › a range of co-benefits for building managers and occupants, including reduced tenant complaints, faster rectification of temperature problems and reductions in maintenance costs.

We investigated links between improvements to energy efficiency, comfort and wellbeing. A small sample of buildings participated in a trial of comfort monitoring technology and occupant surveys to investigate the performance of HVAC systems in mid-tier buildings and, where possible, links between energy efficiency improvements and improvements in comfort. The monitoring found wide variations in sampled temperature across all the building floor spaces, ranging from 18°C to 33°C. In one building where energy efficiency improvements were undertaken, post retrofit surveys showed strong improvements in satisfaction for all indoor environment parameters.

SV's work is helping major players in the building industry reduce energy consumption at a national level. Through our Calculating Cool program we developed a potential world first benchmarking tool for the HVAC systems of commercial office buildings on behalf of Council of Australian Governments (COAG) Energy. HVAC can account for over half an office building's base building energy consumption and our tool can reduce this by up to 50 per cent. Mirvac and Knight Frank have adopted the tool and it has already received more than 9000 visits to the website. SV has received strong interest in our training sessions for the tool being held in Canberra, Brisbane, Melbourne and Sydney.

“We wanted to improve the indoor work environment for our staff – we’ve had ongoing issues with our indoor temperature control. Since the works have been done, we’ve already seen a reduction in electricity and gas consumption and a 30-40 per cent cost saving in the running of our HVAC system. A large part of that was through improving the efficiency of our air conditioning system. We’ve also seen an improvement in thermal comfort for our staff - monitoring has shown that temperature variations are operating in a much narrower range since the upgrades were completed.”

Nikki Jordan, Sustainability Manager at Bank Australia

Energy Efficient Office Buildings Spotlight on 222 High Street, Kew

The Energy Efficient Office Buildings (EEOB) program helped owners improve energy efficiency by reducing costs and environmental impact. The program has three stages:

1. opportunities analysis
2. building tuning
3. monitoring.

SPOTLIGHT

The owner of this building had already undertaken improvements to reduce environmental impacts through a carbon management plan, improvements to equipment, lighting and solar upgrades. They joined the EEOB program to find additional ways to save electricity, and plan longer term future upgrades that would improve office comfort and their NABERS Energy rating.

The occupants of the building participated in a comfort satisfaction study, which surveyed occupant comfort before and after the EEOB upgrades took place. Accompanying this was the introduction of measurement sensor technology, which gathers data on indoor environmental quality, to workspaces within the building.

The sensor technology feedback and occupant survey found a demonstrable link between building performance improvements and comfort improvements for building occupants. The technology also provided a useful diagnostic tool for building occupants to confirm, map, and correct thermal issues with minimal business interruption. This approach could be applied in future programs for engaging the tenants who are working in uncomfortable, inefficient commercial office spaces.

OUTCOMES

- › Projected annual savings of 84,000kWh electricity and 151,000MJ gas.
- › Projected annual emissions reduction of 102,681 kg CO₂-e
- › Reduction in occupant dissatisfaction for all measured indoor environment quality parameters, correlating with improvements in physical measurements as determined by Hux technology.
- › Reduction in ventilation noise.

TABLE 1. REDUCTION IN OCCUPANT DISSATISFACTION SURVEY RESULTS, PRIOR TO AND FOLLOWING BUILDING TUNING.

PARAMETER	CHANGE
Dissatisfaction with temperature	↓ 35%
Dissatisfaction with air movement	↓ 17%
Dissatisfaction with humidity	↓ 14%
Dissatisfaction with air quality	↓ 19%
Number of Sick Leave days	↓ 24.3%

FIGURE 1: 222 HIGH STREET KEW



Schools

Since 2003 ResourceSmart Schools (RSS) has been helping schools to minimise waste, save energy and water, promote biodiversity and reduce greenhouse gas emissions. SV has been delivering the program since 2011.

What you'll see by 2020	2015–16 goal	Results for 2015–16
Victorian schools use resources more sustainably and are embedding sustainability practices into everyday activities.	Of all 2,229 Victorian schools, 46 per cent have accessed the ResourceSmart Schools program. Over 700 participating schools are taking action on climate change whilst improving energy efficiency and avoiding waste.	Since 2011, 1,212 Victorian schools (54 per cent) and 58 early childhood services used RSS, reaching 603,000 students. 886 Victorian schools and 33 early childhood services participated in RSS We completed a review of the RSS program to align with Government priorities and stakeholder feedback.

Highlights

In 2015–16 RSS continued to help schools to take action on climate change, improve energy efficiency, avoid waste and embed sustainability into everything they do. Since 2011, RSS has been accessed by 1,212 (54 per cent) of Victoria's 2,229 schools and 58 early childhood services, reaching 603,000 students and exceeding our target of 46 per cent. In 2015–16 619 schools and 33 early childhood services actively participated in the program.

This year we opened ResourceSmart Online to all Victorian schools, streamlined certification and improved data quality. 314 teachers attended 25 workshops aimed at building their confidence to use ResourceSmart Online, complete modules, attain stars and remain engaged.

We also delivered the RSS Professional Learning Program which contributes to RSS and our strategic focus on energy, materials and waste. It aims to increase teachers' and educators' capability, skills and knowledge so schools can benefit from embedding sustainability into everything they do. The RSS Professional Learning program 2015–16 included a range of events and activities including the Steps to Sustainability conference, STEM training for secondary teachers and an Education Change Makers workshop. RSS focusses on:

- › Providing access for all Victorian schools
- › Modelling Victorian Government leadership in climate change
- › Maintaining participation rates of schools
- › Achieving a 10 per cent energy reduction per student from baseline year for all schools completing the energy module
- › Strengthening relationships with governments, universities and community organisations to leverage support for RSS and education for sustainability in Victoria.

In 2015–16, 72 schools joined RSS and tracked their bills and consumption.

For the 2015 calendar year Victorian schools doing RSS saved:

- › \$3,853,486 across all resource areas
- › 6,590,903 kilowatt hours of electricity
- › 27,941 gigajoules of gas
- › 39,253 cubic metres of waste to landfill
- › 195,199 kilolitres of water.

RSS provides schools with the opportunity to undertake modules to achieve accreditation under our school star rating system. In 2015–16, 80 schools completed energy modules and 41 completed waste modules, 25 completed water modules and 31 completed biodiversity modules. In 2015–16, 119 schools were accredited under the school star rating system:

- › 119 as 1-Star
- › 68 as 2-Star
- › 19 as 3-Star
- › 13 as 4-Star
- › 10 as 5-Star.

This year we reviewed RSS to assess the effectiveness of its 2011-15 delivery model and explored options to improve the program in the future. The review involved a desktop analysis of previous RSS research and evaluations and a summit exploring options for future sustainability and climate change action in Victorian schools. The review found "participation in RSS leads to campus improvement for schools ... enhancement of curriculum with sustainability ideas and concepts, a change in culture and decision-making and a greater role for the schools as a local community sustainability node."

In 2016-17 RSS aims to maintain participation of 868 schools and give all Victorian schools access to it. We will also implement RSS Review recommendations and to respond to the government's climate change agenda.

The award winning ResourceSmart schools

On 15 November, RSS won the 2015 Banksia Award in the Education for Sustainability category. This award recognises leadership and achievement in raising awareness and understanding of sustainability and promoting tangible change in sustainability values and behaviour for a select target audience. The judges noted RSS is near world's best practice, achieving good outreach and embedding itself across the curriculum.

A number of schools across Victorian were able to install solar panel systems thanks to \$150,000 in grant funding made available by the Victorian Government and administered by SV. The funding supported seven schools to install an additional 288 kw of solar capacity. The solar panel systems will not only reduce the greenhouse gas emissions and electricity bills of the schools, but will also act as an education tool to raise awareness amongst students and parents on the benefits of renewable energy.

3 Helping the Victorian community reuse and recover materials

The items Victorians currently send to landfill contain valuable materials that can be recovered and turned into new products. While this reduces our demand on limited natural resources, it also helps communities and the economy by encouraging innovation and creating jobs in the recycling industry. In *Towards SV2020*, we focused on three priority materials, organics, e-waste and tyres as well as invested in research on materials that may become future priorities.

We also released several strategies that support the Statewide Waste and Resource Recovery Infrastructure Plan (State Waste Plan), guiding investment in infrastructure and waste education. Two of these strategies support the community to reuse and recover materials. In September 2015, we released the Victorian Organics Resource Recovery Strategy (Organics Strategy). Our Organics Strategy seeks to support new technologies and products that safely handle the many tonnes of organic waste we generate.

In May 2016, we published the Victorian Market Development Strategy for Recovered Resources (Market Development Strategy). Our Market Development Strategy provides a 30 year vision, 10 year strategic outlook and five year action plan to increase market activity for recovered materials and jobs in the industry.

Electronic Waste (E-Waste)

E-waste from TVs, computers, phones and other waste streams is one of Australia's fastest growing waste streams, growing three times faster than any other but with less recovery options. This is despite it containing highly valuable materials like ferrous and non-ferrous metals and gold, silver and platinum. The lead, mercury and brominated flame retardants (human made chemicals that are added to electronic products to make them less flammable) in inappropriately disposed of e-waste is also harmful to humans and the environment.

In late 2014, the Victorian Government made a commitment to ban electronic waste from landfill.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
The Victorian community is prepared to dispose of e-waste appropriately and has access to disposal options to maximise recovery.	The Victorian Government has the required evidence to design and implement a ban on e-waste going to landfill.	Our market flow and technology processing analysis helped with the design and implementation of an e-waste ban. The analysis will inform the Government's development of policy and regulation in 2016-17.

Highlights

Our priority this year has been to provide industry knowledge and data to the Victorian Government's e-waste working group, which is responsible for designing and implementing the e-waste landfill ban. We completed an in depth market flow and technology processing analysis which provide us with the most up-to-date data on Victoria's e-waste flow. The data outlines current/future volumes, current e-waste management and Victoria's processing capacity. It includes 51 different e-waste categories that will throw light on the ban's development and give us a baseline to measure change after its implementation. This evidence is crucial to inform an effective approach to ensuring e-waste is recovered and reused instead of sent to landfill.

We also contributed to the DELWP led consultation of industry and local government and helped develop regulatory and non-regulatory options. The EPA began a Regulatory Impact Statement to identify the ban's costs and impacts.

E-waste recycling: PGM BluBox

In 2015–16 Dandenong's PGM Refiners launched Blubox, a new state of the art machine which can automatically process TV and computer flat screens and other e-waste into clean commodity streams. We supported the \$1.44 million project with a \$470,000 grant.

BluBox can automatically process a tonne of LCD TVs and extract saleable resources in one hour, while it takes 125 hours to do this manually. BluBox is an Australian first technology, and one of only seven in the world and has already created four new skilled jobs. It will also significantly increase Victoria's e-waste processing capacity by 2500 tonnes a year.



FIGURE 2 AND 3: PGM BLUBOX LAUNCH



Organic Waste

Approximately 2.02 million tonnes of organic waste was generated in Victoria in 2013–14 and an estimated 1.19 million tonnes of this ended up in landfill. This waste will be responsible for more than 1.2 million tonnes of CO₂ greenhouse gas over its lifetime of approximately 30 years. The State Waste Plan and Organics Strategy will improve organics resource recovery and management by developing quality assurance standards working with the industry to investigate new uses and removing market barriers to investment.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
The Victorian organics industry is processing and selling increased volumes of organic products.	The Organics Strategy is providing clear strategic direction to the organics industry and government about the future of organic waste management.	We released and commenced implementation of the Organics Strategy. This included: <ul style="list-style-type: none"> › Establishment of a cross government working group, led by the DEWLP, to identify existing regulation and policy frameworks that may be impeding the development and growth of the organics processing industry in Victoria. › Worked with the dairy sector, farmers and the compost industry to understand the issues, barriers and opportunities related to the use of commercial organic compost products. › Released a funding support program for the installation of small scale onsite or precinct scale anaerobic digestion facilities to support the recovery and reprocessing of food waste. Outcomes of the program are expected to be announced in early 2016–17.

Highlights

In collaboration with industry, we began developing quality assurance standards for recycled organic products, focusing on dairy farming. Victoria's dairy industry is a high user of compost product, and is an obvious target market for the organics recycling industry. We commissioned a study to identify the issues, barriers and opportunities in developing a market for commercial organic compost products for the dairy sector. The findings will be used in developing a quality assurance package in 2016–17 that meets the high standards of a cleaner and greener dairy industry.

The Organics Strategy Cross-Government Working Group met for the first time in December 2015, bringing together government representatives to identify gaps and intersections of legislation, regulations, policies, strategies and interventions that impact on organic waste recovery and management. The working group sought greater coordination across government in organic waste legislation and regulation and development of a sector wide implementation plan. The group will also develop guidance to help local government, industry and community best manage organics.

In 2014–15, only 24 per cent of the 328,000 tonnes of food waste generated by the commercial and industrial sector was recycled. With this in mind in 2015–16, we sought expressions of interest for businesses to install small scale onsite or precinct scale anaerobic digestion (AD) technology for extracting energy

(heat or power) from organic waste. Primarily targeting food waste, the program aims to show the potential of AD technology and help develop up to two easily replicated pilots. Applications have now closed with outcomes to be announced in 2016–17.

We also began a biomass assessment of Victoria as part of the Australian Biomass for Bioenergy Assessment (ABBA). This five year national project is funded by the Australian Renewable Energy Agency (ARENA) which provides detailed information about Australia's biomass resources so businesses can make informed decisions about investing in organic resource recovery. The assessment aligns with a key action of the Organics Strategy to identify regional Victoria's location and volumes of available biomass and the volumes and locations for the aggregation and consolidation of organics streams, particularly from the commercial and industrial (C&I) sector to support business and industry investment.

Tyres

Illegal stockpiling and dumping of tyres pose significant environmental, fire, social and economic risks. The most recent comprehensive data from 2013-14 shows Victoria recycled around 12 per cent of its tyres, exported 77 per cent and stockpiled 11 per cent. Victoria continues to address its 'legacy' stockpiles using regulation to address fire risk (through EPA's tyre storage regulation) and market development approaches (through SV).

In 2015-16 we worked with Tyre Stewardship Australia (TSA) to help the tyre and resource recovery industry manage tyres at the end of their life and identify markets for tyre-derived products.

What you'll see by 2020	2015-16 goal	Results for 2015-16
<p>Tyres at the end of their life are being recovered and there is an established growing market for tyre derived products and/or fuels.</p> <p>The volume of used tyres in stockpiles has declined.</p>	<p>SV is working with TSA to support the tyre and resource recovery industry to manage tyres at the end of their life and has identified opportunities to develop markets for tyre-derived products.</p>	<p>We began developing a National Market Development Strategy for Used Tyres, in partnership with the Queensland Government, an initiative of environment ministers across Australia.</p> <p>We supported a TSA national industry forum on opportunities to develop markets for tyre derived product, attended by 45 industry representatives from across Australia.</p> <p>We co-funded two research and development projects focused on the development of specifications for the use of tyre-derived products in roadbase.</p> <p>We funded and completed the delivery of a feasibility study for managing the Stawell tyre stockpile and engaged representatives from council, CFA, DEWLP and EPA Victoria to monitor its progress. This study is now being implemented by the site owners.</p>

Highlights

We collaborated with TSA, the Commonwealth and government agencies of New South Wales, Queensland & Western Australia to establish a national project to develop a five year National Market Development Strategy for Used Tyres. Development is jointly led by Victoria and Queensland and aims to increase the use of tyre derived products. The strategy will focus on developing higher value tyre derived product markets, through research and development, field trials and influencing state and national standards/specifications. The completed strategy will be presented to the 2016-17 meeting of Environment Ministers.

By working collaboratively across jurisdictions, we aim to develop a coordinated market approach to expanding the market for tyre-derived products. An increase in recovery will lead directly to reducing the number of used tyres being inappropriately disposed of, sent to landfill, or illegally dumped. A coordinated, national approach will also address inconsistent and often outdated specifications on the use of crumbed tyre rubber in road and pavement construction. National standards and specifications support conditions for increased market demand.

In April 2016 SV joined TSA to launch the TSA's research and development funding program, which includes two SV co-funded R&D projects. This event highlights our leadership role and our industry partnerships that are delivering market responses to

the end of life tyres issue. VicRoads is a key stakeholder and a working group member of both projects, delivered in partnership with TSA, which feature ARRB Group and Swinburne University of Technology research into using tyre-derived products. In April 2016 the ARRB report on "Evaluation of Market Viable Solutions for Crumb Rubber Asphalt" found crumb rubber modified binder is cost effective and performs better than conventional binders. The report highlights that further lab testing is needed to identify the optimum crumb rubber binder mix to meet our road authorities' performance requirements. The second R&D project with Swinburne begins lab testing the cost effectiveness and structural integrity of tyre derived aggregate in road subbase. Both projects will be completed in 2016-17 and feed into the National Market Development Strategy for Used Tyres.

In 2014, SV funded the Northern Grampians Shire Council to identify and address barriers to recycling Stawell's tyre stockpile. In 2015-16 the final report estimated there were 0.5 to 1.5 million tyres and examined the economic, social, environment and technical feasibility of reducing the stockpile. Shredding to landfill and mechanical treatment (crumb rubber) were the preferred options. The current owner of the site is working with local and state authorities to improve emergency management planning and has installed shredding infrastructure. Throughout 2015-16 we continued to engage with representatives from council, CFA, DEWLP and EPA Victoria to monitor progress.

Support programs for other materials

Industry and government have a shared responsibility to use more items made from recovered resources. This year with industry and local government across Victoria we supported research for the market development of glass fines and flexible plastics and worked to increase the safe disposal of hazardous materials.

What you'll see by 2020	2015–16 goal	Results for 2015 –16
<p>Targeted materials are being safely disposed of and, where possible, being reused in new products for which there is a demand.</p> <p>Industry is participating in product stewardship schemes for paint.</p>	<p>Increase the safe disposal of materials that are harmful to the environment or human health, and support R&D for the market development of priority materials.</p>	<p>We released and commenced delivery of the Market Development Strategy.</p> <p>We released a funding support program for research and development to develop new markets for the use of recovered glass fines and flexible plastics (priority materials identified in the Strategy). Outcomes of the program are expected to be announced in 2016-17.</p> <p>We delivered 31 mobile household chemical collection events and 30 permanent drop off facilities across Victoria for targeted products (i.e. paint, batteries, compact florescent lamps). Over 1,500 tonnes of household chemicals and targeted products were collected and processed, an increase of 36 per cent.</p> <p>We reviewed our Household Chemical Collection program.</p> <p>We helped establish a national industry-run product stewardship scheme for waste paint, Paintback. Paintback commenced at three Victorian locations during 2016-17.</p>

Highlights

This year we helped even more Victorians safely dispose of toxic household chemicals and priority products through the Household Chemical Collection program. In 2015–16 we collected more than 1,500 tonnes of chemicals and priority products. In partnership with local Councils, this essential service helps the community while preventing potentially harmful chemicals from damaging our waterways, environment and public health.

We reviewed the program in 2015–16, seeking feedback from local government and the community to assess how well it delivers value for money, positive environmental and social outcomes, and is meeting its key objectives. It was found to be a highly valuable service for the Victorian community, local government and waste and resource recovery groups. The review also found that 94 per cent of Victorians have reasonable access to a mobile collection (20km in metro and 50 km in regional).

We partnered with the Australian Packaging Covenant to support research institutes and industry to investigate new ways to incorporate recovered glass fines and flexible plastics into product and process design, development, specifications and commercialisation activities across broader manufacturing industries. Successful projects will be announced in early 2016-17.

SV was instrumental in establishing the federal Paintback product stewardship arrangement which launched on 2 May 2016.

We provided secretariat services to a working group of commonwealth, state and territory governments, paint industry representatives and major retailers, whose role was to design a national product stewardship scheme for paint based on the preferred voluntary approach of the Act. Paintback is the result of a 10-year partnership between SV, its predecessor agencies and the paint industry to support them to effectively manage end-of-life paint. Three Victorian sites were operational by the end of June 2016. The Paintback scheme aims to reach 85 per cent of the Australian population by 2021 (see Showcase 4).

In another positive step forward for product stewardship, in 2015–16 SV transferred the Batteryback household battery recycling program to the Australian Battery Recycling Initiative (ABRI) in a move towards the development of an industry-owned battery stewardship program in Australia.

SV actively supports the development of a national battery stewardship program as part of the national Battery Reference Group and the Implementation Working Group responsible for the design and development of a scheme under the *Product Stewardship Act 2011* and, continues to collect, transport and recycle batteries through the 30 permanent sites in the Household Chemical Collection program.

Paintback: Australia's first paint product stewardship scheme

SV and predecessor agencies have partnered with the paint industry over the last decade to improve management of the 24,000 tonnes of waste paint and packaging that Australia disposes of annually.

In April 2013, SV provided evidence that supported listing architectural and decorative waste paint on the national *Priority Product List* under the *Product Stewardship Act 2011* and, in partnership with the Australian Paint Manufacturers Federation, Master Painters and paint retailers, led a national product stewardship scheme on behalf of Victoria and all states and territories. These key stakeholders formed a working group to design and implement the scheme.

The group spent two years designing a robust scheme. In November 2015, a 15 cent per litre recovery levy for architectural and decorative paint was approved by ACCC for five years.

Over the following six months, paint brands and retailers amended their invoicing systems and set up Paintback Ltd a not-for-profit organisation to roll out and deliver the scheme. The scheme was officially launched on 2 May 2016, finally giving trade painters somewhere to drop off unwanted paint.

At the time of publishing, there are 18 Paintback locations across Australia but it's growing monthly and should reach 85 per cent of Australia's population by 2021. This fantastic result shows how product stewardship can deliver an Australia-wide solution.

FIGURE 4: PAINTBACK LAUNCH



4 Leading planning for an integrated waste and recovery system and supporting the responsible management of waste

Statewide Waste Planning

Victoria's waste and resource recovery system managed over 11.7 million tonnes of solid waste in 2013-14 and by 2043 that figure is expected to rise to 20.6 million tonnes a year. As a nation, Australia's landfills generate 10.8 million tonnes of CO₂-e, or about 1.8 per cent of our greenhouse gases. Victoria's waste and resource recovery system is an essential service that must be strategically planned for and improved to meet these

needs. We have established a coordinated approach to plan for and enable efficient and effective services and infrastructure to meet this need whilst maximising viable resource recovery and minimising impact on communities and the environment.

The *Statewide Waste and Resource Recovery Infrastructure Plan* (State Waste Plan) outlines Victoria's current waste and resource recovery infrastructure and offers a 30-year vision for planning and investment. SV has a legislative obligation to develop and implement the State Waste Plan and support seven accompanying Waste and Resource Recovery Implementation Plans (Waste Plans). In 2015-16, we began implementing the State Waste Plan with local government and industry to establish a consistent long-term planning for waste and resource recovery across Victoria.

What you'll see by 2020	2015-16 goal	Results for 2015-16
Government and industry are making better decisions about an integrated waste and resource recovery system for today and beyond.	Government and industry are implementing the State Waste Plan. Planning for waste and resource recovery is integrated and consistent across Victoria.	<p>We supported the seven Waste and Resource Recovery Groups to develop draft waste and resource recovery implementation plans that are aligned with the State Waste Plan).</p> <p>We established our Collaborative Procurement Service to support the Waste and Resource Recovery Groups (the Groups) facilitate joint procurement of waste and resource recovery infrastructure and services.</p> <p>We developed guidance materials to support investment and management of kerbside collection and transfer stations.</p> <p>We established our Waste Data Service to improve the quality, timeliness and access to Victorian Waste Data.</p>

Highlights

In 2015-16 we began to implement the State Waste Plan, released in June 2015, and supported the seven Groups to develop consistent and aligned Waste Plans. We provided extensive guidance and support through workshops, materials and templates.

We are working with DELWP to develop a strategy for integrating the State Waste Plan and seven Waste Plans into the Victorian land use planning system, as required by the *Environment Protection Act 1970*.

We worked directly with six local governments in developing their plans to ensure they appropriately consider the State Waste Plan in their decision making. We also worked across government to ensure the State Waste Plan appropriately informed a number of government plans and decision making processes including:

- › the recent Plan Melbourne Refresh,
- › Major Hazard Facilities Advisory Committee,
- › Better Apartments Guide,
- › Minerals Development Victoria's Extractive Industries Reference Group,
- › the Metropolitan Planning Authority's Precinct Structure Planning for Mount Atkinson, Tarneit and Sunbury, along with framework planning for Bacchus Marsh
- › Infrastructure Victoria's 'Laying the Foundations' discussion paper and 'All things Considered' options paper, which seeks to identify the needs for Victoria's first 30-year infrastructure strategy.

We worked closely with EPA to enable consideration of the State Waste Plan's objectives in four works approvals applications during 2015–16.

In November 2015 we launched our Collaborative Procurement Service, which supports joint procurement of waste and resource recovery services and infrastructure for local government with economic, environmental and social benefits. We provided the Regional Groups with a procurement toolkit, training and direct support to help them embed collaborative procurement practices. The service provided advice, guidance and assistance with documentation to the Gippsland Regional Group on the Gippsland Collaborative Waste Investment Initiative.

During 2015–16 we instigated two projects aimed at developing useful, targeted and accessible guidance material for local government, focusing on kerbside collection and transfer station services to help realise the State Waste Plan goal of supporting improved operational practices at resource recovery centres and transfer stations. Work continues on these projects into 2016-17.

The Waste Data Service we established in 2015–16 has improved the quality, timeliness and accessibility of our waste data to the waste and resource recovery portfolio, local government and the public through:

- › technology analysis tools to enable quicker response to data requests
- › establishment of the Waste Data Governance Framework
- › launch of the Victorian Waste Data Portal for portfolio members
- › simplifying the survey tool used to collect data from industry and local government sources
- › publishing two main annual surveys – the Victorian Local Government Annual Survey and the Victorian Recycling Industry Annual Survey on SV's website including downloadable tabulated data sets in workbook format.

SV developed these solutions to enable easy access to data between portfolio agencies. Interactive reports can be generated by users from the Victorian Waste Data Portal and further data visualisation tools (e.g. graphs and maps) are currently being developed.

The Waste & Resource Recovery Portfolio used local government survey data, industry reprocessing survey data and EPA datasets to make better infrastructure planning and decisions. The new tools will make it even easier for local government planners to better understand the interaction of the different waste systems in their respective waste infrastructure plans and strategies.

New data is currently being added with more to come. This includes the local litter measurement tool that will centralise local litter data and enable users to create visualisations so local governments can compare different litter rates and clean-up costs. SV is also working with the Australian Renewable Energy Mapping Infrastructure (AREMI) to collect, store and visualise Biomass datasets in Victoria.

A new investment service, better partnerships and a greater role in land use planning

SV has successfully delivered on the first year of the 30 year State Waste Plan.

The State Waste Plan was released in June 2015 and throughout 2015–16 SV focused on bringing it to life by developing and launching the following supporting strategies and services:

- › Investment Facilitation Service
- › Collaborative Procurement Service
- › Waste Data Service
- › Victorian Organics Resource Recovery Strategy (Organics Strategy)
- › Victorian Market Development Strategy for Recovered Resources (Market Development Strategy)
- › Victorian Waste Education Strategy (under development).

Launching SV's new Investment Facilitation Service for the waste and resource recovery sector was a highlight of 2015. This service works with existing and prospective investors to:

- › promote local investment opportunities
- › address barriers to investment in resource recovery infrastructure
- › support the development of investors' business cases
- › coordinate the investor relationship with government and industry.

SV engaged with 84 investors in the first year of the service and we helped 62 to progress their proposals. With our support, seven projects had advanced further by the end of 2015–16.

The service collaborates with multiple teams at DEDJTR – most notably Invest Victoria, Invest Assist, Trade Victoria and Regional Development Victoria. This level of collaboration with valuable government expertise, funding and support has ensured SV is able to provide a coordinated and holistic service to prospective investors.

Investor interaction has also supported SV to refine its service and the State Waste Plan's other initiatives. SV can now provide quantitative data on sector investment activity and draw from real evidence in formulating our strategy and government policy.

We also looked at how to work better across government and bring a consistent approach to waste and resource recovery planning.

SV highlights over the year include:

- › supporting the seven Groups to develop their 10 year waste plans
- › leading the implementation of Organics Strategy and the cross-government working group to identify gaps and obstacles in legislation and regulation around managing organics
- › establishing an agreement across the 10 departments and agencies that make up the waste and resource recovery portfolio to improve the quality, timeliness and accessibility of waste data.

SV also commenced its practical application of the State Waste Plan this year by sharing and promoting the document with land use planning decision makers, aimed at integrating waste and resource recovery infrastructure planning with land use and development planning and policy. SV has:

- › provided input across state government and local governments to inform decisions around proposals and land use planning decisions on waste and resource recovery hubs of state significance
- › worked with the Groups and local governments to support strategic planning for waste and resource recovery in Brimbank, Whittlesea and Kingston local governments
- › informed Victorian Government plans like the Plan Melbourne Refresh, Better Apartments Guidelines and Infrastructure Victoria's 30 year Strategy
- › worked with DELWP to better integrate waste and resource recovery planning with broader land use planning in Victoria.

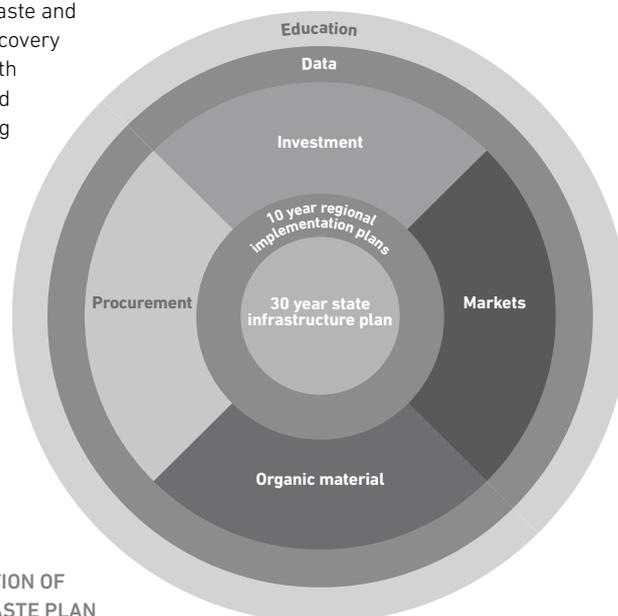


FIGURE 5:
IMPLEMENTATION OF
THE STATE WASTE PLAN

Engaging the Victorian community on waste

All Victorian households, businesses and organisations generate waste. The collection, recovery and disposal of this waste is an essential service that protects public health, minimises environmental impacts and supports the Victorian economy. The service is set for greater demand with expected growth in Victoria's population and new services such as organics collection expanding in the next few years.

How the Victorian community generate and dispose of their waste and other materials has a big impact on Victoria's waste and resource recovery system. Understanding how the community view this essential service is an important factor in considering how Victoria's waste and resource recovery network needs to operate to manage Victoria's growing volumes of waste and materials while balancing community and industry expectations.

Part of our role at SV is to help the community to understand the need for and value of a good waste and resource recovery system and how to dispose of waste correctly. In 2015–16 we worked with community groups, industry and government to develop education programs to achieve these goals.

What you'll see by 2020	2015–16 goal	Results for 2015–16
The Victorian community understands the value of the waste and resource recovery system as an essential service, and Victorians are supported to dispose of items correctly.	SV is working with community groups, industry and government to develop education programs that improve resource recovery and support the correct disposal of waste.	<p>We developed the Victorian Waste Education Strategy (to be released in early 2016–17).</p> <p>We partnered with CSIRO to research community attitudes to the waste and resource recovery sector in Victoria.</p> <p>We co-designed and delivered 10 pilot projects with local governments to test innovative ways to influence community recycling.</p> <p>We commenced delivery of the Victorian Litter Plan, including development of the Victorian Litter Report Card and launched the Litter Innovation Fund grant program.</p>

Highlights

We developed the draft Victorian Waste Education Strategy, due to be published in early 2016-17, after extensive consultation, both online and face-to-face, with organisations and communities from across the state and the waste and resource recovery sector.

This year we commissioned world-first research in partnership with the CSIRO to explore what builds community trust in waste and resource recovery. The CSIRO site-based research included interviews and workshops with site operators, local and state government, industry bodies as well as community groups and local residents. The research informed an online survey of 1200 Victorians in June 2016. Final results will be available early 2016-17 and will help establish a baseline for future work and inform community engagement around waste and resource recovery.

In 2015–16 we developed and launched the new Victorian Litter Plan to engage the community in targeted, measurable and evidence-based litter prevention activities, addressing local and statewide issues. In December 2015 we opened Round 1 of the \$700,000 Litter Innovation Fund to help communities and local governments tackle local litter issues.

We also worked with local governments on a pilot project to design interventions to encourage recycling using behaviour change and people-centred design principles. SV provided funding to 10 Melbourne local governments to trial the interventions. Results of the trials will be shared in 2016-17 and inform future work in this area.

The Victorian Litter Report Card identifying the state's top litter priorities will be released in 2016-17 and will influence future Victorian Government decisions for investing in litter prevention and management.

We also continued to lead the Victorian Litter Action Alliance (VLAA) in 2015–16, hosting a number of forums and training sessions to support local government officers in the investigation of illegal dumping and face to face litter enforcement.

Waste Infrastructure Investment

While resource recovery rates have grown over the past 10 years, there is still greater opportunity to viably maximise the environmental, social and economic benefits of managing the state's waste flows.

Resource recovery rate of solid waste, Victoria 2004–05 to 2013–14

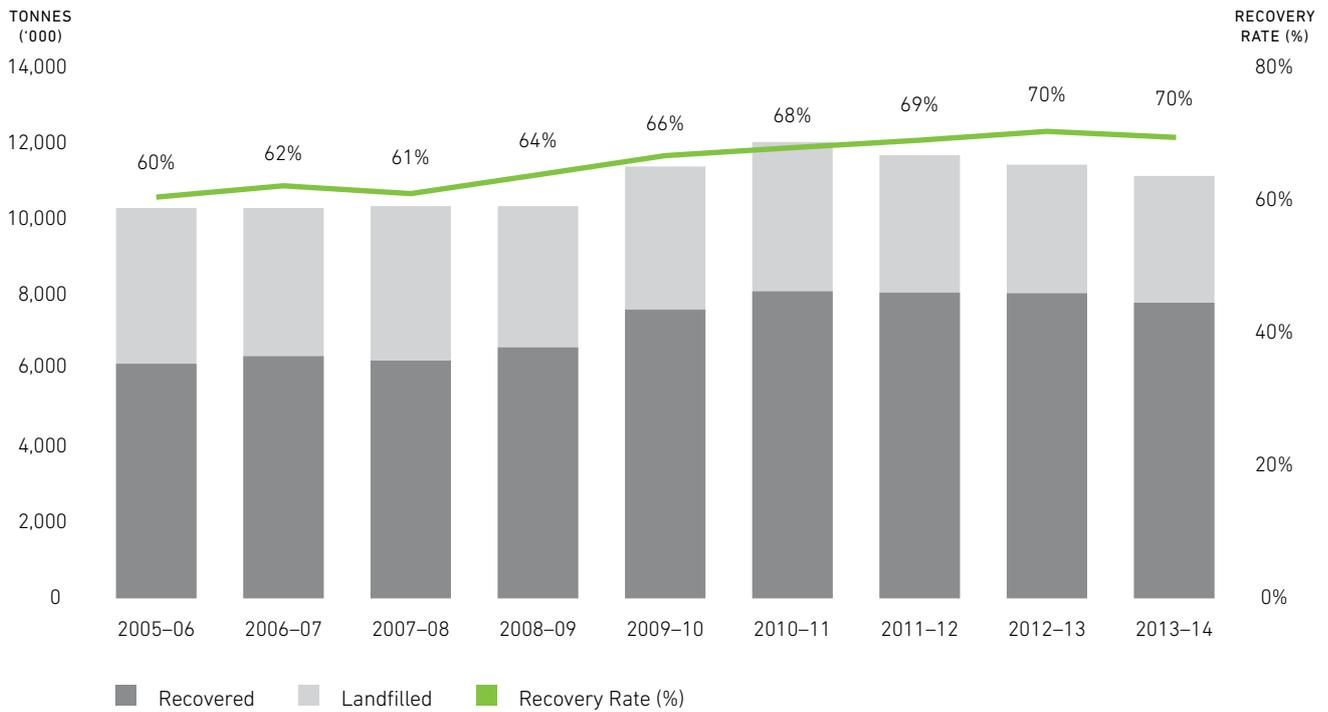


FIGURE 6: RESOURCE RECOVERY RATE OF SOLID WASTE, VICTORIA 2004–05 – 2013–14

In 2015–16 we supported private and public investment to reduce the barriers to investment in waste and resource recovery infrastructure through our Investment Facilitation Service and market development activities.

What you'll see by 2020	2015–16 goal	Results for 2015–16
Private and public investment in waste and resource recovery infrastructure aligns with the State Waste Plan and Waste Plans to meet the needs of Victorians now and in the future.	Private and public investors are supported by SV and other government agencies to reduce barriers to investment in waste and resource recovery infrastructure, in line with the State Waste Plan.	<p>We supported infrastructure upgrades at 25 existing transfer stations.</p> <p>We helped start five new kerbside organics collection services, giving access to 48,000 more Victorian households.</p> <p>Our Investment Facilitation Service maximised the investment success of 62 companies by providing them with guidance and support.</p> <p>Our analysis of Victoria's current waste and resource recovery infrastructure gaps will inform future public and private investment.</p>

Highlights

This year we contributed \$3.7 million to support local governments, social enterprises and industry to deliver a range of waste and resource recovery projects. These projects support the Victorian Government's key priorities in waste and resource recovery and direct funding to three key areas.

- › **Infrastructure:** This focuses on recovering more valuable materials from landfill and improving operational and environmental performance of waste and resource recovery infrastructure.
- › **Service provision:** to expand rural and regional resource recovery collection services.
- › **Research and feasibility studies:** Ensure local government has the capacity and capability to assess, plan and deliver waste and resource recovery infrastructure to meet community needs.

We supported the upgrade of 22 rural and regional transfer station upgrades over the course of the year, bringing the total upgrades to 32 since we started the program in 2014. This \$1.3 million investment improved material diversion, site safety and amenity and allowed for better service offerings.

In 2015–16 we worked with local government and industry to improve the environmental and financial sustainability of their landfills, completing installation of protective geomembrane liners in 14 rural and regional landfills for protection against ground and surface water contamination. We also supported councils to establish transfer stations, enabling the closure of two landfills, bringing the number of landfills closed under the program to eight with another eight planned. In 2016-17 this program will continue funding the development of transfer station/resource recovery centres to support the closure of landfills, improving resource recovery and ensuring waste from these sites is deposited in environmentally and financially sustainable landfills.

SV has continued its partnership with the Australian Packaging Covenant, supporting projects to increase recycling rates and reduce packaging litter. This year we oversaw the completion of the LINPAC project which produces fully recyclable rigid plastic food packaging. We committed funding for two new innovative projects addressing flexible plastics, which will be announced in 2016-17.

In 2015–16 we helped social enterprises and charities keep valuable or harmful materials out of landfill, supporting them through grants to install new infrastructure or equipment to improve a range of resource recovery activities, including food rescue and e-waste recovery.

The organisations include;

- › AXIS Worx
- › Ballarat Regional Industries (BRI)
- › Cultivating Community
- › GEST
- › FareShare
- › OZ Harvest
- › SecondBite
- › The WERX Foundation
- › WDEA
- › Bairnsdale Tip Shop
- › Marnoo Soldier's Memorial Park Committee
- › Radius Disability Services

During 2015–16, we supported regional and rural councils to introduce new or expanded kerbside collection services for organic food and garden waste. Our funding kicked off new collection services to five local governments which will service an additional 48,000 households. This brings the total number of introduced services since July 2014 to nine, reaching 58,000 rural and regional households. In 2016–17 we will continue to support three additional councils to introduce a kerbside organics collection service, providing access to a further 89,000 households.

Our Investment Facilitation Service, launched in October 2015, has already established relationships with 84 companies, provided additional assistance to 62 and is actively managing seven companies to progress their proposals. We are working with companies from local small scale waste generators looking for solutions for their own business to large scale international resource recovery companies with the potential to make significant investments in waste and resource recovery infrastructure in Victoria.

The service provides an opportunity to leverage large-scale private investment and the associated economic benefits. The investment pipeline and resulting data is also shaping the service and other initiatives to deliver improved waste and resource recovery services in Victoria.

The service mitigates risk and reduces investment barriers by promoting local investment opportunities, developing investors' business cases and coordinating investor relationships with government.

Initial efforts have focused on promoting investment opportunities in Victoria, using SV's Investment Prospectus, promotional video, four videos case studies and seven written case studies and 11 waste material fact sheets. The service also provides access to data, market intelligence and SV's internal expertise to inform investors, while introducing them to other government agencies and business. The service's close relations with multiple teams within DEDJTR, most notably Invest Victoria, Invest Assist and RDV, provides the coordination necessary to maximise success.

Bringing kerbside organics collection services and processing infrastructure to regional and rural Victoria.

Supporting local government and industry to manage organic waste properly has been a key SV focus in recent years. Victorian households generate around 1.3 million tonnes of organic waste a year, over half of which is estimated to end up in landfill, where it breaks down emitting greenhouse gas and odour and creating potential environmental and public health risks.

Over the last four years our programs have supported local infrastructure solutions to manage organic waste. We partnered with regional and rural councils to introduce new or expanded kerbside collection services, and researched community recycling behaviours. This has led to:

- ▶ 58,000 households in rural and regional Victoria now with access to a kerbside organics collection service through nine new or expanded kerbside organics collection services
- ▶ 20,000 additional tonnes p.a. of organic waste diverted from landfill
- ▶ some of Australia's lowest contamination rates for kerbside organics collection services.
- ▶ new infrastructure solutions reducing contamination and improving the quality of end products.

Organics, including food waste, is the Goulburn Valley's single largest household waste type and the biggest generator of methane in landfills. We worked hard to help the Goulburn Valley Waste and Resource Recovery Group and its member councils to develop the business case for household food and garden collections.

In 2014–15 and 2015–16 we worked with the Group to realise a new collection service. Moira Shire Council now offers the area's first combined food organics / garden organics collection service. So far the council has diverted over 3,000 tonnes of organic waste from landfill, cutting landfill waste by over 40 per cent. They also demonstrated that careful planning, comprehensive education and community engagement can result in a contamination rate of less than one per cent.



Councils and businesses in the region use recycled organics products to close the loop for food and garden organic waste. In September 2015, the Goulburn Valley Waste and Resource Recovery Group and Moira Shire Council received the Premier's Sustainability Award.

Over the year ahead we will continue supporting local government and industry to manage organic waste. We will partner with the City of Greater Geelong to establish a new organics processing facility and help three other councils introduce new kerbside organics collection services.

By the year's end we will have helped over 10 regional and rural councils to introduce new or expanded kerbside organics collection services providing this to over 140,000 households and one in four rural and regional Victorians.

FIGURE 6 AND 7: WODONGA ORGANICS COLLECTION SERVICE



Enabling the delivery of Towards SV2020

2015–16 Operational Highlights

Our program design

For this first year of *Towards SV2020* we invested in evidence and research, behavioural insights, collaboration and partnerships and innovative business and finance models. We focused on encouraging and supporting innovation and project delivery in a rapidly changing environment.

1 Evidence and research

We developed an organisational research strategy to guide our investment in research over the term of *Towards SV2020*. The research strategy aims to ensure we have robust evidence to support our use of public funds now and in the future.

In 2016, we continued our partnership with BehaviourWorks Australia (BWA) — a consortium between Monash Sustainability Institute, government and industry — bringing together leading behaviour change academics with delivery organisations to apply behaviour change theory to our programs and services. BWA advised us in the development of our voluntary pledge program TAKE2 and undertook research to inform a Quality Assurance package for the organics sector, and informed how we engaged local government through our Love Food Hate Waste and Improving Resource Recovery programs.

We are committed to better understanding stakeholder needs, challenges, barriers, priorities and potential opportunities so we can help all Victorians use resources more sustainably and take practical action on climate change. We commenced research in 2015–16 to identify the best way to engage all of our stakeholder groups to ensure our programs deliver measurable outcomes. We profiled and mapped stakeholders based on social and geographic demographics, values, behaviours, attitudes, needs and experiences. This evidence will be used to inform our services and the programs we deliver.

2 Collaboration and partnership

Over 400,000 people visited our web site this year, 70,000 more than last year. Over 5,000 people contacted us through our 1300 info line for information and advice on our programs and sustainability matters. Social media also grew significantly, with our Twitter and LinkedIn followers passing 11,000 and 3,000 members respectively. We also launched our corporate Facebook page. The most popular content by our website visitors was energy and materials efficiency, resource recovery initiatives and food waste avoidance.

We launched SV Enabled (SVEN), our new customer relationship management system, to help maintain strong stakeholder engagement and partnerships. By providing a single source for all our stakeholder data it has reduced duplication, provides consistent, reliable information and a better understanding of stakeholders' needs. SVEN has enabled us to better understand and coordinate who we are engaging with and when.

It has also helped us track enquiries and community issues so we can respond to them more efficiently. SVEN enables customers to control what they receive from us by subscribing to newsletters, events and areas of interest. Finally, SVEN allows for integration of contract data with stakeholder information. This has streamlined our procurement processes and created a paperless approval process.

In May, the SVEN team were awarded an Australian eGovernment ICT Award for Project & Program Management (See showcase 7).

Respondents to our 2015–16 annual stakeholder survey noted a measureable improvement with us delivering on our promises. 67 per cent rated SV as 'excellent' or 'good', a 12 per cent improvement from last year. More stakeholders perceive us as 'highly relevant'.

This year the Premier's Sustainability Awards and ResourceSmart Schools Awards attracted more entries than ever. The Premier's Sustainability Awards on 29 October 2015 had 360 guests attending and the highest number of entries since 2007. The ResourceSmart Education Awards on 14 October 2015 was attended by 370 students, teachers, educators, sponsors and government representatives. We received 184 entries from 106 schools and 14 early childhood services, representing an 86 per cent increase in entries and 115 per cent increase in entrants from 2014–15. This was the highest number of entries since the program commenced in 2006.

3 Innovative business and finance models

In 2015–16 we explored innovative ways to leverage private sector finance to achieve our outcomes. Public-private finance can fill existing investment gaps, increase private sector involvement and supplement public sector finance with long-term private financing solutions.

Our study focused on the most appropriate financial instruments and mechanisms to increase private sector investment to support sustainability initiatives like energy efficiency, materials efficiency and waste. We used this research to inform the design of our new programs and initiatives.

Our business enablers

In 2015–16 we continued to deliver better outcomes for the community and our stakeholders through a renewed focus on organisational excellence, our people and culture and innovation and adaptability.

4 Operational excellence

We maintained our high standards of governance, accountability and performance over 2015–16 by establishing internal project control boards which sought to support the successful delivery of our initiatives. Our internal engagement survey for 2015–16 showed 77 per cent of staff believe we have the right governance to allow good ethical standards, sound decisions and successful business outcomes.

Over the past three years we have completely modernised our information technology systems from being expensive, restrictive and complex to those which better support and enable our staff to be successful. On-going technology costs have dropped from \$8 million to less than \$1.3 million per annum, our staff feel more empowered and the new technology has positively impacted our culture.

As a recognised technology leader within Victorian Government we were asked to share our experiences with numerous government organisations keen to learn from our efforts.

Our Corporate Sustainability program, supported by our ISO14001 certified Environmental Management System, focuses on inspiring other organisations to create positive environmental, economic and social impacts, whilst improving our own sustainable use of resources. We continued to reduce our impact on the environment through:

- › implementing our Environmental Sustainability Policy
- › purchasing 100 per cent renewable energy for electricity
- › maintaining our fleet of hybrid vehicles
- › purchasing carbon offsets for our operational emissions (including air travel)
- › maintaining our 6 Star NABERS Energy rating (5 Star NABERS excluding the purchase of renewable energy)
- › fulfilling our Partnership Values Statement for procurement of goods and services from partners committed to sustainability
- › progressively transitioning our information technology infrastructure to cloud services.

In 2015–16 we achieved a 18 per cent reduction in our total greenhouse gas emissions associated with the scope of our operational activities. We continued to work towards becoming a paperless office, achieving a four per cent reduction in paper usage per FTE (Full Time Equivalent) through the implementation of our new document management system. Our waste generation per FTE has also reduced, achieving a reduction of 22 per cent from 2014–15 levels. Responding to changes in our building's resource recovery capacity led to an eight per cent decrease in our office's recovery rate. We began various initiatives within our office and the building to improve recycling awareness.

Improvements to our telephony and video conferencing technologies reduced use of our vehicle fleet (reduction of 12 per cent total kilometres travelled), and air travel (reduction of 38 per cent).

This year we are reporting progress in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Framework to help us understand and communicate our impact on critical sustainability issues.

See Social and Sustainable Procurement on page 58 for further information on our procurement policies and 2015–16 achievements.

5 People and culture

Staff are our most valuable asset and we aim to support our people by providing a safe, productive environment. Our health, safety and wellbeing working group was established to better understand and respond to psychological wellbeing at work. In 2015–16 this working group promoted a number of key issues addressing health safety and wellbeing such as anxiety and depression.

To support the foundation year of *Towards SV2020* and help us to deliver on government priorities in climate change, energy and waste, we worked with our leaders and staff to ensure a high performing, safe and accountable workplace.

We believe a safe, constructive culture leads to better performance. In 2015–16 we continued to develop our leaders' capability. We measured the behavioural effectiveness of our executive and managers by our broader staff, which was used to inform individualised one-on-one management coaching. We saw positive improvements in our workforce's experience of our leadership, a desired outcome in our aim to be more agile, collaborative and innovative.

Vital conversations training for all staff supported effective engagement with stakeholders and each other. This training improved how we influence, delegate and provide feedback — essential skills for a high performing organisation.

6 Innovation

In 2015–16 we committed to lead and foster innovation and adaptability through our leadership program and staff engagement. We launched this at an innovation focused off-site event, Innovation Central, where staff discussed how we can harness change and drive it through innovation. We explored behaviours that encourage or discourage innovation and the barriers and opportunities for change. Staff told us formalised processes and tick-a-box templates stifle creativity and diversity of thought. In response we developed an innovation feedback loop giving staff a flexible, collaborative process to explore and test ideas both internally, and more importantly with our customers, stakeholders and partners.

Innovation in motion – introducing SV Enabled

SV Enabled is our new customer relationship management system and the product of a highly successful, innovative business wide partnership. It allows the organisation to focus on delivering improved services to our customers as we have more accurate stakeholder information in a single, consolidated location. It also supports us to identify where our stakeholders have multiple touch-points within our organisation and discuss multiple SV offerings with them in a more coordinated way.

SV Enabled was implemented using the Agile Scrum project methodology, which is based on a highly iterative process where the end-users of the product are heavily involved in the design and evolution of the software. This is achieved by having very short delivery windows (sprints) focused on delivering customer requirements. The users are required to provide regular feedback (usually daily) to the development team who can then improve the software to more closely match the user requirements. At the end of each sprint, a wide audience is shown the work that has been achieved to ensure feedback from across the organisation is gathered, informing the next sprint.

This is an alternative to the traditional waterfall methodology, often used for government IT projects, which requires significant effort upfront to design processes and systems to a highly documented, detailed degree.

This detailed design is then handed over to a team of software developers who deliver the product at a later date, from months to years later.

Using an iterative and incremental agile framework for managing development allowed us to work collaboratively with staff to develop and test requirements progressively.

In May 2016 we won the Australian Government ICT Awards in two categories, Project and Program Management for delivery of SV Enabled and our Business Systems Manager, Chris Moon, won Young ICT Professional of the Year. Australian Government ICT Awards recognise and promote excellence, innovation and professionalism in the use of Information and Communications Technology (ICT) across local, state and federal government agencies. The award recognised SV Enabled for delivering an effective IT solution using an innovative co-design approach.

FIGURE 8: SVEN'S AGILE CODESIGN PROCESS IN ACTION





Summary of financial performance

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

	2016	2015	2014	2013	2012
Income from Government	11,573	14,471	15,440	20,076	20,979
Other income	21,126	20,714	20,034	33,451	26,777
Total income	32,699	35,185	35,661	53,527	47,756
Program expenses	15,063	20,143	21,155	18,935	22,398
Employee benefits	13,595	13,582	12,396	12,463	14,962
Other expenses	4,975	6,690	10,963	10,354	6,346
Total expenses	33,633	40,416	44,514	41,752	43,706
Net result for the period	(934)	(5,231)	(8,853)	11,775	4,050
Net cash flow from operating activities	(6,485)	(2,845)	(10,449)	13,607	4,281
Total assets	28,319	31,169	36,439	48,073	32,769
Total liabilities	4,273	6,190	6,228	9,009	5,480

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

In 2015–16, SV incurred an operating deficit of \$0.9 million, which is a decrease of \$4.3 million compared to 2014–15 mainly due to expenditure decreasing by 17 per cent and income decreasing by seven per cent.

Total income in 2015–16 of \$32.7 million reduced by \$2.5 million compared to 2014–15, mainly due to reduced revenue received from Sustainability Funds grants. There was an overall decrease in expenditure for 2015–16 of \$6.8 million compared to 2014–15, with the main variance being decreased expenditure for program expenses of \$5.1 million. This is primarily due to 2015–16 representing a lower activity foundation year of *Towards SV2020*, our five year strategy. Employee benefits remained constant compared with 2014–15.

Total assets decreased by \$2.9 million primarily due to a \$7.4 million reduction in cash due to reserves being expended on government priorities, offset by an increase of 3.7 million in receivable (predominately landfill receivable).

There have been no other events subsequent to the balance date of 30 June 2016, which may significantly affect operations in subsequent years.

SV has in place a Long-Term Financial Plan which seeks to ensure the organisation's financial sustainability. While SV will maintain an adequate financial buffer in outward years, SV will re-consider its operating model in early 2017.

SV had \$17.9 million in cash reserves as at 30 June 2016, of which, \$3.2 million represents funds received from government (tied to the delivery of specific projects) that was unspent at 30 June 2016. The balance, \$14.7 million represents accumulated funds from prior years' recurrent revenue and surpluses or other funds that will be expended in future financial years.

We have future expenditure commitments totalling \$17.3 million, of which, \$7.1 million is for tied funding projects and \$10.2 million for other expenditure.

In 2015-16 we maintained a minimum working capital of \$5.5 million to ensure the organisation is able to meet its financial commitments.

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 SV management and board.

Sustainability Victoria Revenue 2016



Category	Amount	Percentage
Landfill levy	\$18,558,796	57%
Government grants	\$11,186,150	34%
Other revenue from government	\$387,060	1%
Interest	\$446,088	1%
Other revenue	\$2,120,867	7%

Sustainability Victoria Expenditure 2016



Category	Amount	Percentage
Program expenses	\$15,062,875	45%
Employee benefits	\$13,595,237	40%
Depreciation	\$377,902	1%
Other expenses	\$1,198,342	4%
Telecommunication & IT	\$2,061,154	6%
Finance costs	\$4,730	0%
Occupancy costs	\$1,332,631	4%

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 SV Board. In appointing members to oversee SV's strategy and functions, the minister considers their skills, experience and knowledge.

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.

In 2015-16 the Board fulfilled its responsibilities by:

- › approving SV's five year strategic plan, *Towards SV2020*, and the 2015-16 Business Plan
- › endorsing the Victorian Organics Resource Recovery Strategy, Victorian Market Development Strategy for Recovered Resources and the Victorian Waste Education Strategy
- › approving and submitting the 2014-15 Annual Report to the Minister
- › approving the Financial Statements for the year ending June 2015
- › approving SV's organisational risk management framework, ensuring systems are in place to address these risks
- › overseeing SV's compliance with laws, regulations and other obligations
- › ensuring the organisation had appropriate policies and procedures in place for good conduct
- › measuring the organisation's stakeholder engagement performance with 2015-16 results trending up

Board members

The table below shows our Board members for 2015-16 and overall period of appointment.

Heather Campbell	Board member from February 2016: Chair from February 2016 to current
Ross McCann	Board member from August 2011: Deputy Chair from February 2016 to current, Interim Chair from May 2015 to February 2016
Suzanne Evans	Board member from December 2009 to January 2016, Interim Deputy Chair from May 2015 to September 2015
Kane Thornton	Board member from May 2015 to current
Roger Parker	Board member from November 2014 to current
Megan Flynn	Board member from May 2015 to current
Arron Wood	Board member from July 2014 to current
Daniel Fyfe	Board member from May 2015 to current
Vicky Darling	Board member from June 2016 to current
Jennifer Lauber Patterson	Board member from June 2016 to current

Our Board members



Heather Campbell

Chair and Board member from February 2016 to current.

Heather has over 25 years' experience leading the management of environmental, sustainability and risk issues and brings experience of Landcare, waste minimisation and resource efficiency. Currently the CSIRO's General Manager of Health Safety and Environment, Heather was the CEO of Landcare Australia for about three years and held executive and senior managerial roles with Amcor, Ridley AgriProducts and Cheetham Salt spanning more than 20 years. She also has extensive experience as a Board director and advisory committee member across government, education and the not for profit sector.



Ross McCann

Interim Chair from May 2015 to February 2016, Deputy Chair from February 2016 to current, Board member from August 2011.

Ross was Chairman of Genos from 2011 to 2015 and formerly Executive Chairman and Chief Executive Officer. He is a member of the EPA's Environment Protection Board and of Victoria's Workcover Authority, Special Advisor to the President of China National Chemical Company and Former President of the Plastics and Chemicals Industry Association (PACIA) and Director of the inaugural Stem Cell Centre Board. Ross spent 25 years in management based roles at ICI Australia across operations, business development, projects and in leading business units. He was 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 to January 2016, Interim Deputy Chair from May 2015 to September 2015.

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. 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.



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 battery storage industry. He has over 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.



Roger Parker

Board member from November 2014 to current

Roger is a Senior Consultant in the Melbourne office of Golder Associates. He is an Environmental Auditor for contaminated land in Victoria and 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. Throughout his career Roger has been involved with many committees and panels related to the waste and environmental management industries including EPA's Prescribed Waste Advisory Panel and more recently, the Landfill Expert Advisory Panel. For many years he was on the on the Victorian State Committee for Waste Management Association of Australia.



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.



Arron Wood

Board member from July 2014 to current

Arron is a sustainability expert with 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 110,000 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 Chair of 2017 World Ecocity Summit Advisory Board and a Councillor for City of Melbourne.



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.



Vicky Darling

Board member from June 2016

Vicky was a Member of the Queensland Parliament for six years from 2006 to 2012 including one year as Minister for Environment during which she negotiated with local government and industry to pass Queensland's first waste reduction and recycling legislation and new litter laws. She is currently a member of the Australian Capital Territory Waste Feasibility Study Community Reference Group, and her other committee experience includes chairing the Queensland Waste and Recycling Expert Advisory Panel, Parliamentary Committees, Budget Estimates Committees and the Far North Queensland Ministerial Regional Community Forum. Vicky holds a Bachelor of Arts, and is a Graduate of the Australian Institute of Company Directors and a member of the Institute of Public Administration Australia.



Jennifer Lauber Patterson

Board member from June 2016

Jennifer is Managing Director of Frontier Impact Group that provides corporate advisory and capital raising services for technologies and projects that deliver high social and environmental benefits. Jennifer has over 27 years' experience primarily in energy and banking, which includes roles as ANZ's Director of Electricity, Renewables and Emissions and Head of the Environmental Treasury solutions at National Australia Bank. Jennifer's passion is to mobilise outcomes that results in cleaner air, water, energy and more sustainable agriculture. She is currently Chair of Yarra Energy Foundation and on the CPA's Australia's Ethics and Governance Advisory Panel.

Attendance at Sustainability Victoria board meetings in 2015–16

There were board meetings in July, August, October and December 2015 and February, March, May and June 2016. Table 3 records members' attendance.

TABLE 3: SUSTAINABILITY VICTORIA BOARD MEMBERS' MEETING ATTENDANCE.

Board member	Meetings eligible to attend	Meetings attended
Heather Campbell	3	3
Ross McCann	8	7
Suzanne Evans	3	3
Roger Parker	8	7
Arron Wood	8	8
Kane Thornton	8	7
Daniel Fyfe	8	7
Megan Flynn	8	6
Vicky Darling	0	0
Jennifer Lauber Patterson	0	0

Audit, Risk and Finance Committee

The role of the Audit, Risk and Finance Committee is to oversee and advise SV on matters of accountability and internal control affecting its operations.

The main responsibilities of the committee include the oversight of:

- › the financial performance of SV
- › the financial reporting process
- › the scope of work and performance of the internal and external auditors
- › the operation and implementation of the risk management framework
- › matters of accountability and internal control affecting the operations of SV
- › the effectiveness of management information systems and other systems of internal control.

In 2015–16 the committee fulfilled its responsibilities by reviewing and monitoring organisational:

- › financial statements and notes to accounts for 2014–15
- › internal audit plan for 2016–2018
- › external network and web application testing
- › budget effectiveness
- › contract management
- › ongoing monitoring of Sustainability Victoria's business information technology system improvements
- › ongoing monitoring of organisational risks
- › compliance with statutory obligations.

The Audit, Risk and Finance Committee had three Board members in 2015–16 — Suzanne Evans (Chair – July 2015 to January 2016), Ross McCann (Chair January 2016 to June 2016) and Roger Parker. Janice van Reyk and Rob Hogarth were external, independent members throughout 2015–16.

Members are appointed by the Board, usually for a three year term, and are subject to the committee's terms of reference.

Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2015–16, the committee met four times. Attendance of committee members is detailed in Table 4 below.

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 4: AUDIT, RISK AND FINANCE COMMITTEE MEMBERS' MEETING ATTENDANCE.

Committee member	Meetings eligible to attend	Meetings attended
Suzanne Evans	3	3
Ross McCann	4	3
Roger Parker	1	1
Janice van Reyk	4	4
Rob Hogarth	4	4

People and Culture Committee

The People and Culture Committee helps the Board fulfill 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 2015–16, the committee fulfilled its responsibilities by:

- › reviewing and discussing capability data across the organisation
- › providing guidance and support of our strategic plan
- › providing guidance and support of our policies.

The committee had three Board members in 2015–16: Kane Thornton (Chair), Megan Flynn and Heather Campbell, and Jeanette Lang and Fiona Lund as external members. Table 5 shows committee members' meeting attendance. Meetings are held quarterly and coincide with a Board meeting day, in 2015–16, the committee met four times. Attendance of committee members is detailed in table 5 below.

TABLE 5: PEOPLE AND CULTURE COMMITTEE MEMBERS' MEETING ATTENDANCE.

Committee member	Meetings eligible to attend	Meetings attended
Kane Thornton (Chair)	4	3
Megan Flynn	4	4
Heather Campbell	2	2
Fiona Lund	1	1
Jeanette Lang	4	3

Performance and Remuneration Committee

The Performance and Remuneration Committee helps the Board fulfil its corporate governance responsibilities through:

- › CEO recruitment, selection, performance and succession
- › executive performance and succession
- › monitoring and compliance.

In 2015–16 the committee fulfilled its responsibilities by reviewing the performance of the CEO over the 2013–14 period and confirmed his performance plan for 2015–16.

This year the committee had three Board members: Ross McCann, Arron Wood and Kane Thornton. Table 7 shows committee members' meeting attendance. Meetings are held twice a year and in 2015–16, the committee met two times. Attendance of committee members is detailed in table 7 below.

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

Committee member	Meetings eligible to attend	Meetings attended
Ross McCann	2	2
Arron Wood	2	1
Kane Thornton	2	2

Sustainability Victoria's Expert Reference Group

SV established a Waste and Resource Recovery expert reference group in 2012 to provide advice and opinion to support SV to better understand statewide waste planning issues from an industry perspective and inform the development and implementation of the Statewide Waste and Resource Recovery Infrastructure Plan (State Waste Plan). The expert reference group's input to this plan and its enabling strategies, such as the Victorian Organics Resource Recovery Strategy and the Market Development Strategy for Recovered Resources, has been highly valued and crucial to the successful development and implementation of these strategies.

With the release of the State Waste Plan in June last year and development of all final or draft enabling strategies, SV and its portfolio partners have transitioned from development to implementation of this work. The final meeting of the expert reference group was held in June 2016.

Throughout its tenure, the expert reference group has provided SV with a critical link to the waste and resource recovery sector at a time when it was developing a range of strategic documents and programs and its links to the industry were not well established. Its broad membership has provided SV with valuable insights and been a vital element in SV's recent success developing and publishing the State Waste Plan with broad industry and community support. SV thanks the following members for their support and guidance throughout their tenure: John Nolan, Max Spedding, Grant Musgrove, Tony Rjjs, James Dunstan, and Craig Hudson.

SV continues to actively engage with the waste and resource recovery sector and its industry associations to design and deliver our work.

Partnerships and charters

In 2015–16 Sustainability Victoria did not subscribe or endorse any externally developed, economic, environmental or social charters, principles or other initiatives.

Our procurement and supply chain

Our procurement, tendering and purchasing follows the principles of value for money, open and fair competition, accountability, risk management, probity, transparency and scalability as detailed in the Victorian Government Purchasing Board (VGPB) Policies. These are delivered by our robust procedures and supported by our new procurement management system, SV Enabled. As per the VGPB policy model we focus on complexity and risk to deliver strategic and efficient procurement.

Our activities

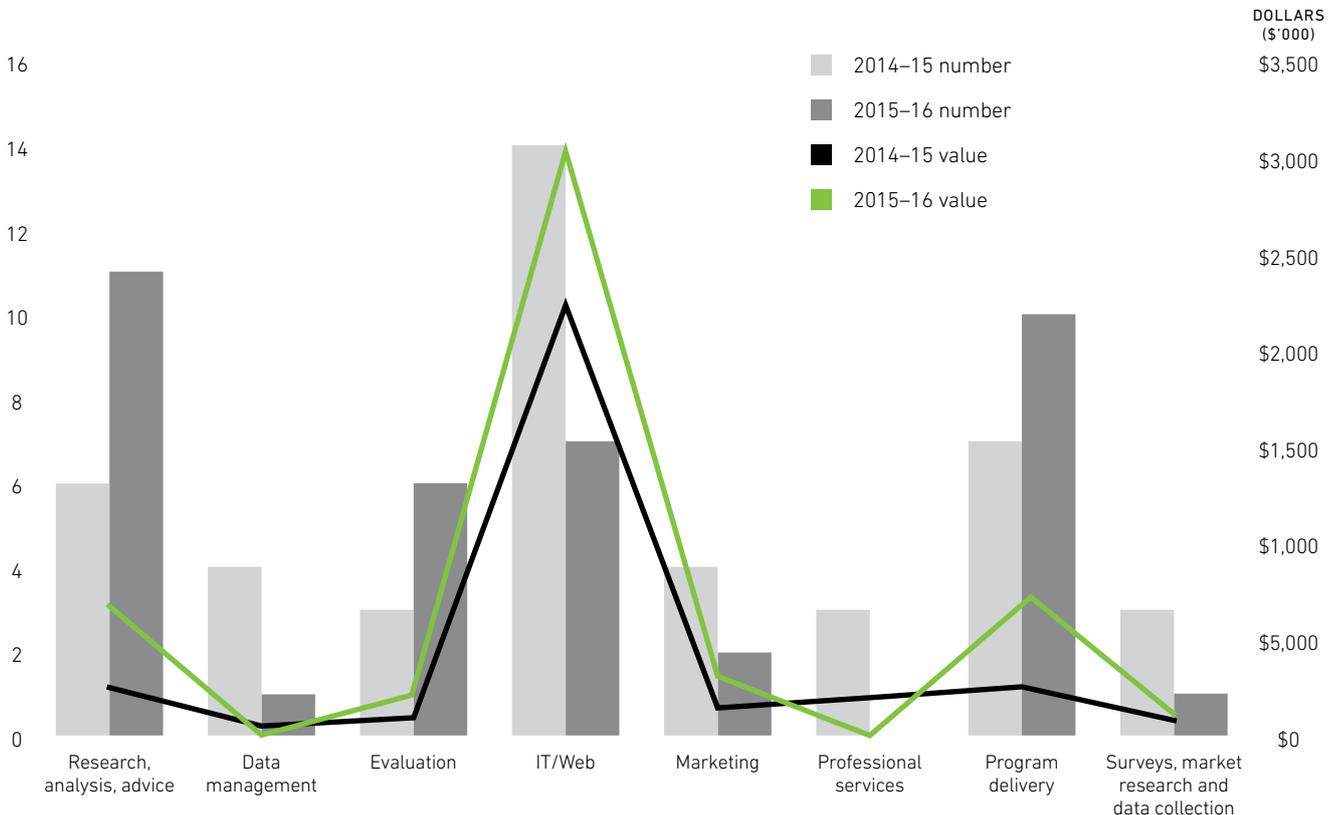
Our primary activities are:

- › providing information and advice
- › providing grants
- › delivering programs
- › supporting business to do the above.



Our 2015–16 procurement activity by category:

Procurement by category 2015–16 compared to 2014–15



Social and sustainable procurement

Our procurement policy provides that we will give priority to those products and services that enable us to perform our duties while having minimal impact on the environment and supporting social outcomes. We also seek to positively influence our suppliers and those wanting to make more sustainable purchasing choices, and we choose to engage with suppliers and service providers that manage their environmental impact and support social outcomes.

Our social and sustainable procurement achievements in 2015–16 include:

- › publication of a Partnership Values Statement and encouraging our suppliers and grant recipients to adopt these values
- › e-waste recycled by Green Collect
- › 100 per cent post-consumer recycled paper

- › sustainable choices for office supplies
- › staff with at least six months' service can access the Salary Advance Bicycle Purchase Policy which offers up to \$2,000 in salary advance to buy a bike for themselves or their family
- › public transport tickets for staff traveling to and from meetings
- › hybrid fleet vehicles
- › Nanotech for car washing
- › 100 per cent GreenPower for all office light and power needs
- › carbon offsets for all operational emissions.

We have a mandatory environmental management criteria in all competitive procurement (10 per cent weighting for tenders). The EMS performance of our suppliers in 2015–16 is outlined below.

Our 2015–16 Procurement EMS performance summary:

	2015/16		2014/15	
	Percent	Number	Percent	Number
Total procurement		37		44
EMS policy	68%	25	70%	31
ISO accredited	97%	36	11%	5
Reduction targets	54%	20	32%	14
Energy and materials efficiency	89%	33	77%	34
Recycling	97%	36	89%	39
Sustainable procurement	54%	20	45%	20
Willing to engage with SV to improve EMS	97%	36	76%	28

Our risk management approach

Our Risk Management, Business Continuity and Fraud and Corruption policies are enacted through our Risk Management Framework and various processes and procedures. They detail the objectives, key responsibilities, review timeframes and reporting and risk approval. Our risk management is based on international standard AS/NZS ISO 31000:2009.

Risk management is an organisation-wide exercise covering strategic, operational and project risks and forms part of the daily business of individual divisions and contractors. Risk Management is embedded in key processes like project and contract management and procurement. Our CEO and Executive Leadership Team review and report quarterly on strategic risks. Throughout the year these are also reviewed by the Audit, Risk and Finance Committee and at least three times by our Board.

Our reporting approach

SV is committed to building a more robust form of reporting as part of its commitment to be accountable to internal and external stakeholders. The Global Reporting Initiative (GRI) framework allows organisations to report on how they are performing in the environmental, social and economic areas of the organisation as well as provide an insight into their material aspects and specific indicators. The Annual Report and the GRI Index is prepared using the Global Reporting Initiative's Sustainability Reporting Guidelines (G4). The report is prepared 'in accordance' – Core option.

Identified material aspects and boundaries

SV undertook a materiality assessment to identify the issues which mattered most to our stakeholders which then defined the reporting boundaries.

The material aspects which we believe matter most to our stakeholders is our energy consumption, our waste generation and disposal methods and our Greenhouse gas emissions.

The aspect boundary inside the organisation

The material issues for 2015–16 were Environmental and Social aspects for the organisation and limited to SV.

The aspect boundary outside the organisation

The material aspects are limited to SV.

Our engagement approach

Stakeholder needs and likely impacts of our actions form part of every project design. Staff contribute subject matter expertise, local knowledge and engagement experience to stakeholder mapping and project design. We work out appropriate methods and levels of engagement and get stakeholder feedback. In planning we identify and select stakeholders to work with to deliver programs Victoria wide.

Our online engagement platform — Participate SV — allows stakeholders to self-select, participate in conversations and share input on SV programs and initiatives.

Our work means our stakeholders have a diversity of views and we strive to understand their needs and challenges. We actively foster strong, collaborative relationships with Victorian communities. Our statewide engagement and project teams connect stakeholders to our programs and get community involvement in decisions and actions.

Stakeholder engagement is key to building staff capacity and is how we do business, including in program design and delivery. Over 2016-17, we'll continue improving how we engage and build effective stakeholder relationships, supporting staff to connect Victorians to SV programs and encouraging them to seek stakeholder feedback.

Stakeholder engagement is part of our commitment to put the community at the centre of our work and to understand attitudes and support lasting changes to behaviour. Doing this every day allows us to continue delivering effective and efficient programs for all Victorians.

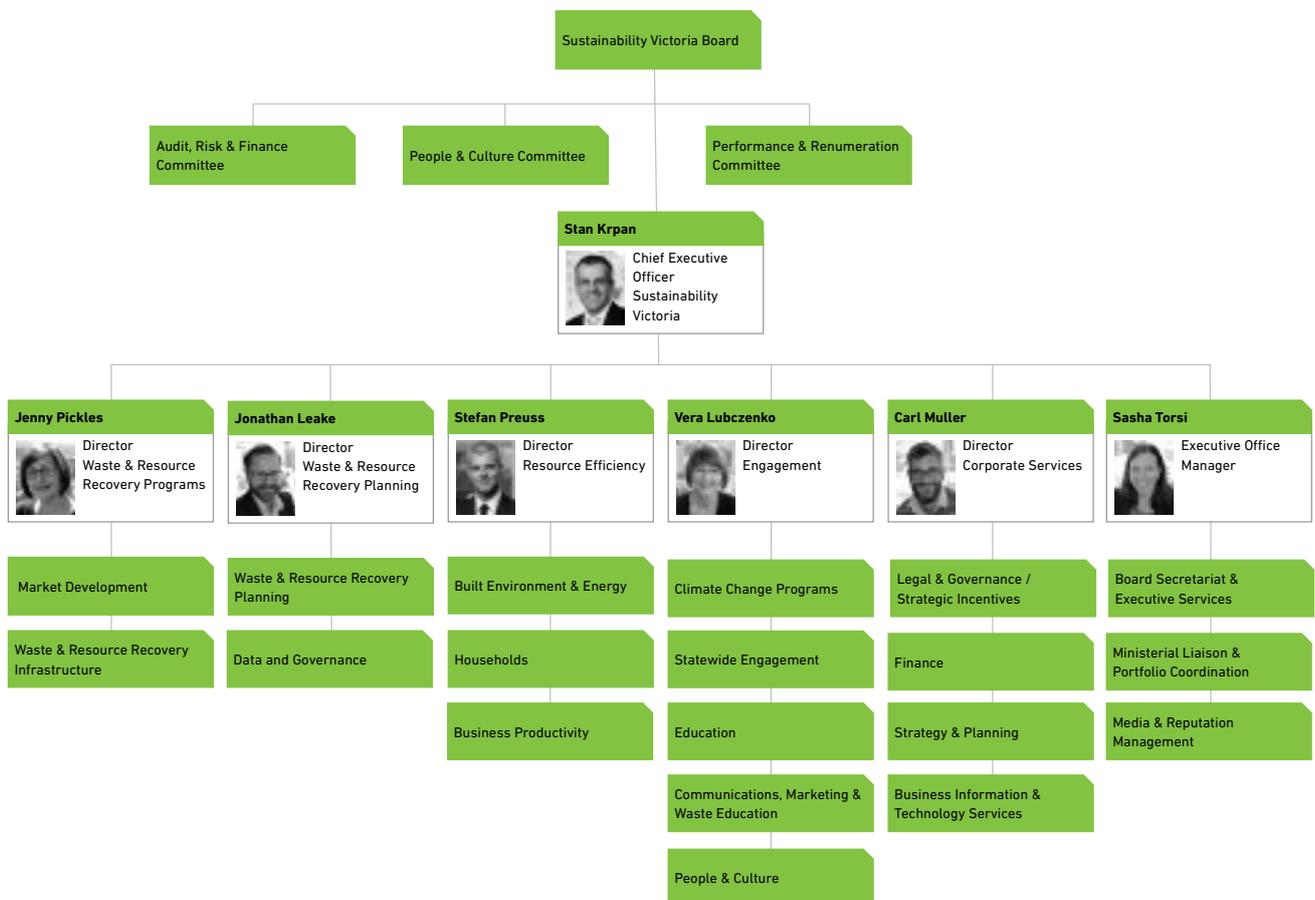
SV's diverse stakeholders have broad ranging views and concerns and they communicate those concerns through to us in a variety of ways. Common themes include ideas around how we could continue to work together, through for example, partnerships, stakeholder forums, or consultation processes and opportunities for input into SV's programs. Stakeholders tell us they want access to grants/funding support and subject matter guidance and assistance that is relevant to them. We incorporate stakeholder feedback into evaluation processes to continue to improve our offerings and future program design and delivery. We also listen to our stakeholders' thoughts on how they want to engage with us and try to build that into our service delivery, providing direct engagement through projects, online mechanisms to communicate with us, a 1300 number for the community to call us and staff living and working in regional Victoria to provide local knowledge and expertise for our regional and rural stakeholders.

Workforce

Organisational Structure

Our 2015 -16 executive team comprised the CEO, five directors and a manager, each accountable for key organisational functions, program delivery and line management.

The team as at 30 June 2016 is shown below.



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).

SV's five executive officers in 2015–16 were responsible for ongoing functions and output. They held fixed term and ongoing positions. All five executive officers received remuneration over \$100,000. See notes 18 and 19 in Notes to the Financial Statements on pages 82–83. Breakdown of executive officers into gender:

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

Health, safety and wellbeing statement

SV is a Victorian Government statutory authority created under the Sustainability Victoria Act 2005. Our objective under the Act is to facilitate and promote environmental sustainability in the use of resources. SV also has a legislative role for waste and resource recovery under the Environment Protection Act 1970 through the delivery of the Statewide Waste and Resource Recovery Infrastructure Plan (State Waste Plan).

Our people are fundamental to our success; we strive to integrate health, safety and wellbeing in to everything we do to provide a positive, healthy and safe working environment.

Scope: This policy applies to SV employees, contractors, agency temps, Board members and volunteers (Workers) as well as visitors.

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 integral to SV and the responsibility of every worker. SV recognizes the involvement of everyone is essential in establishing and maintaining positive, healthy, inclusive and safe working environments and procedures.

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

- › maintaining a safe workplace
- › providing and maintaining safe equipment and systems
- › providing adequate facilities
- › establishing and supporting, trusting and encouraging culture where health, safety and wellbeing is a primary consideration
- › developing capabilities in first class health, safety and wellbeing, giving workers 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
- › promoting workplace wellbeing
- › proactively responding to psychological health risks with practical intervention strategies
- › ensuring consistent, effective risk management to aimed at eliminating work related illness and injury
- › providing appropriate health, safety and wellbeing training
- › ensuring all workers are included in decisions impacting health, safety and wellbeing
- › disseminating health, safety and wellbeing information to all workers and visitors
- › effectively implementing health, safety and wellbeing procedures at all SV work sites.

All workers are required to:

- › take reasonable care of their own health, safety and wellbeing and that of others who may be affected by their actions — or lack of — at work and participate in all appropriate training
- › support workplace wellbeing and mental health by raising risk factors or issues to emphasise a positive and safe work environment
- › report all hazards, risks, incidents, near misses and OH&S concerns.

We recognise all this is best achieved through effective consultation, communication and co-operation between all workers, working together.

We will actively monitor and review our performance to ensure we meet our health, safety and wellbeing objectives and mitigate risk as far as is possible.

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

Health, safety and wellbeing performance

In 2015–16, we recorded:

- › one formal written complaint
- › no equal opportunity, bullying or harassment complaints
- › zero days of lost time due to injury

- › one worker's injury claim
- › absenteeism (average days lost) of 4.4 days per employee
- › an average of 11.4 training hours per employee
- › an increase in staff turnover to 11.5 per cent (from 8.4 per cent in 2014–15).

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

Measure	KPI	2015–16	2014–15	2013–14	2012–13
Incidents	Number of incidents	11	7	5	13
	Rate per 100 FTE	10.17	6.50	6	7.10
	Average time lost per occurrence (days)	0	0	0	0.4
Claims	Number of standard claims*	1	2	1	0
	Average cost per claim	\$1,357	\$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	Completed
Risk management	Percentage of internal audits/ inspections conducted as planned	100%	100%	100%	100%

* Data sourced from Victorian WorkCover Authority (VWA).

Employment and conduct principles

SV is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

The public sector values are: Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human rights.

Public entities are required to have in place employment processes that will ensure that:

- › 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
- › public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.

Codes of conduct and standards issued by the Victorian Public Sector Commission (VPSC)², include:

- › the Code of Conduct for Victorian Public Sector Employees
- › the Conflict of Interest Policy Framework and the Gifts Benefits and Hospitality Policy Framework.

On 30 June 2016:

- › SV employed 87 staff (108.2 full time equivalent) compared to 89 staff (112 full time equivalent) on 30 June 2015
- › The proportion of women was 59 per cent (compared to 65 per cent on 30 June 2015).

See below for data on workforce composition, average salaries by gender and Victorian Public Service (VPS) classification.

Our workforce*

2016	2015	2014	2013	2012	2011
108.2	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 2015	89	73	16	84.10	27.9	
June 2016	87	75	12	82.62	25.6	

	2016			2015		
	Ongoing employees		Fixed term and casual employees	Ongoing employees		Fixed term and casual employees
	Employees (headcount)	FTE	FTE	Employees (headcount)	FTE	FTE
Gender						
Male	35	35	10.8	31	30.8	12.9
Female	52	47.62	14.8	58	53.3	15
Total Age						
Under 25	0	0	0	0	0	2
25–34	13	13	12	15	14.8	10
35–44	40	37.82	8.6	41	38.3	10.9
45–54	20	19.2	2	21	19.2	3
55–64	12	11.6	3	11	10.8	2
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	29	27.22	7.8	33	30	7
VPS 5	34	31.8	13.8	38	35.4	13.9
VPS 6	16	15.6	3	14	14.7	1
STS	1	1	0	1	1	0
Executive	4	4	0	0	0	5
Total	87	82.62	25.6	89	84.1	27.9

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. All employees have been correctly classified in workforce data collection aligned to the VPS classification structure.

Enterprise Agreement

SV has an enterprise agreement that covers 96.6 per cent of employees. The current agreement includes working conditions and employee benefits. The Enterprise Agreement was in operation from January 2016 and has a nominal expire date of 31 December 2019. We also have 3.4 per cent of our workforce who are employed under Part 3 of the Public Administration Act 2004.

Other disclosures

Major contracts

No contract was more 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 SV'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 2015–16 we paid 12 consultancies \$10,000 or greater for a total of \$492,308 (excluding GST).

Details of individual consultancies are shown below.

Contract ID	Consultant	Title and Description	Start Date	End Date	Total Fees (\$)	Exp'ture this year (\$)	Future C'ments (\$)
1 C-07269	Chart Group Pty Ltd	Professional Services To provide expert consulting services as a member of the Information Systems Steering Group (ISSG) and providing advice and guidance with regard to IT management and ad-hoc issues.	14/12/2012	14/12/2015	89,000.00	0.00	0.00
2 C-08727	Marsden Jacob Associates Pty Ltd	Infrastructure Investment Gap Analysis: To provide SV with a robust, evidence based analysis of resource recovery infrastructure investment gaps across Victoria, following the release of the Statewide Waste and Resource Recovery Infrastructure Plan in June 2015.	8/09/2015	15/01/2016	85,150.00	85,150.00	0.00
3 C-08752	Randell Environmental Consulting Pty Ltd	E-waste Market Flow Analysis and Processing Technology Analysis: To deliver a Market Flow Analysis detailing the type, path and volume (current and future) of waste electrical and electronic equipment in Victoria and a Technology Trends Analysis, including processing capacity, current infrastructure, processing capability and export markets. These two deliverables will inform the Victorian Government on the design of approach/es to fulfil the Government's election commitment to ban e-waste from Victorian landfills.	24/09/2015	31/03/2016	76,850.00	76,850.00	0.00

Contract ID	Consultant	Title and Description	Start Date	End Date	Total Fees (\$)	Exp'ture this year (\$)	Future C'ments (\$)
4 C-08745	Rawtec Pty Ltd	Household Chemical Collection (HCC) Program Review: To review the Household Chemical Collection (HCC) Program. The review will focus on the new program model against the HCC program objectives, evaluating program efficiency, value for money, equity of service delivery and community need/demand for the service as well as the development of a range of options for future delivery of the program.	17/09/2015	20/11/2015	64,130.00	64,130.00	0.00
5 C-09108	Energy Efficient Strategies Pty Ltd	Zero Net Carbon Study: To model the costs, greenhouse gas emissions and energy consumption for a variety of existing and new houses that achieve Zero Net Carbon status over the course of one year through the use of a rooftop PV system. The energy consumption, greenhouse gas emissions and energy bills of the Zero Net Carbon houses will be compared to that of the standard houses so that the energy and greenhouse savings can be determined, as well as the payback on the additional cost to achieve Zero Net Carbon status.	13/05/2016	30/06/2016	41,400.00	41,400.00	0.00
6 C-09050	Tony Isaacs Consulting Pty Ltd	Review and update of the Energy Smart Housing Manual: To review and update the content of the Sustainable Energy Authority Victoria (SEAV) Energy Smart Housing Manual to bring it up to date and develop three case studies to demonstrate the value of implementing solar passive design principles.	15/05/2016	30/06/2016	30,600.00	29,400.00	1,200.00
7 C-09032	Point Advisory Pty Ltd	Mid-tier Pathway Update Report: To produce a report that updates the 2015 Mid-Tier Commercial Office Buildings in Australia – A national pathway to improving energy productivity report, with a focus on the outcomes and learnings from SV's Energy Efficient Office Buildings program.	15/04/2016	20/05/2016	29,383.00	13,000.00	16,383.00
8 C-07271	Tony Isaacs Consulting Pty Ltd	FirstRate5 Expert Advice: To provide advice to SV on the functioning, history and other building physics issues relevant to the maintenance and support for FirstRate5 by Sustainability Victoria.	17/12/2012	28/06/2015	21,000.00	0.00	0.00

Contract ID	Consultant	Title and Description	Start Date	End Date	Total Fees (\$)	Exp'ture this year (\$)	Future C'ments (\$)
9 C-08646	Point Advisory Pty Ltd	Innovative Use of Financial Instruments to Catalyse Private Sector Finance: To investigate the potential use of financial instruments to catalyse private sector finance.	7/07/2015	7/09/2015	16,800.00	16,800.00	0.00
10 C-08613	IOD PARC Australasia Pty Ltd	SWRRIP Implementation Plan and Monitoring and Evaluation Plan Development Support: To provide guidance to Sustainability Victoria to inform the development of the Statewide Waste and Resource Recovery Implementation Plan (State Waste Plan) and the Monitoring and Evaluation (M&E) Plan.	21/05/2015	30/11/2016	13,320.00	6,232.50	7,087.50
11 C-09165	Colmar Brunton Pty Ltd	Climate Change Pledge Program - pre campaign benchmark testing: To undertake pre-campaign research to assess community awareness of climate change and climate change pledge programs to provide a benchmark for measuring campaign performance over time.	27/05/2016	10/06/2016	11,300.00	11,300.00	0.00
12 C-09196	Resource Advisory Pty Ltd	Interventions to address statewide priority litter issues – workshop facilitation: To design a package of interventions to address Victoria's statewide priority litter issues and pilot these in partnership on a local scale.	6/06/2016	31/07/2016	10,175.00	0.00	10,175.00

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

In 2015–16, there were five consultancies engaged during the year, where total fees payable to the consultants was less than \$10 000. The total expenditure incurred during 2015–16 in relation to these consultancies was \$24,054 (excl. GST).

Government Advertising Expenditure

In the 2015–16 expenditure on government campaign advertising did not exceed \$100,000.

Information, Communication and Technology Expenditure

For the 2015–16 reporting period, SV had total ICT expenditure of \$2,697,498, with the details shown below.

Business As Usual (BAU) ICT Expenditure	Non-Business As Usual (non-BAU) ICT Expenditure Total=Opex and Capex expenditure	Operational (Opex) expenditure	Capital (Capex) expenditure
1,814,389	883,109	246,766	636,344

ICT expenditure refers to SV's costs in providing business enabling ICT services. IT comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing SV's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Capital Projects

In the 2015–16 SV did not have any projects with a total estimated investment of \$10 million or more.

Other Contracts

In 2015–16, SV paid \$693,268 to CSIRO for FirstRate5 Software Licence fees and research on community attitudes to the waste and resource recovery sector in Victoria. Heather Campbell, SV's Chairperson is General Manager Health Safety and Environment with CSIRO. Ms Campbell was not involved in any decision relating to CSIRO's services to SV. SV has consulted the Victorian Auditor General's Office and does not consider this a related party transaction.

Legislative compliance

Building Act

As we don't own or control any government buildings we're 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. In 2015–16 Sustainability Victoria did not receive any FOI requests

Making a request

To access documents, write to the Freedom of Information Officer, clearly identifying the document you seek with a \$27.90 application fee (this can sometimes be waived). Charges may apply once documents have been processed and a decision on access is made to cover photocopying, and search and retrieval etc.

Address your communication 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

Requests can also be lodged at www.foi.vic.gov.au.
Visit www.foi.vic.gov.au for more information on Freedom of Information.

Additional information available on request

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

- › a statement declaring all relevant officers have declared pecuniary interests
- › details of shares held by senior officers as nominee, or held beneficially in a statutory authority or subsidiary
- › details of our publications and how you can get them; you can subscribe to our email newsletters and alerts, In the Know, ResourceSmart Schools News, LitterALLY and TAKE2 newsletters via our website <http://www.sustainability.vic.gov.au/news-and-events/newsletters/subscribe>
- › details of changes in our prices, fees, charges, rates and levies
- › any major external reviews of our operations
- › details of major research and development activities undertaken by us
- › details of overseas visits, including a summary of the objectives and outcomes of each visit
- › details of our major promotional, public relations and marketing activities to build community awareness of us and our services
- › details of assessments and measures undertaken to improve occupational health and safety
- › a general statement on industrial relations, and details of time lost through industrial accidents and disputes
- › a list of major committees, their purposes and achievements.

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). For a copy call (03) 8626 8700, email privacy@sustainability.vic.gov.au or visit www.sustainability.vic.gov.au. We received no complaints of privacy breaches in 2014–15

National Competition Policy

According to the National Competition Policy, legislation cannot restrict competition unless:

- › community benefits outweigh the costs
- › the 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 is 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

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPPP). Departments and public sector bodies are required to apply VIPPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

We did not commence or complete any contracts relevant to VIPPP this year.

Protected Disclosures Act

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

We will not tolerate improper employee conduct or the taking of reprisals against those who disclose such conduct. We are committed to transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

We will take all reasonable steps to protect people who make such disclosures from reprisals. We will also afford natural justice to anyone who is the subject of the disclosure to the extent of the law.

How do I make a 'Protected Disclosure'?

We can't receive protected disclosures. However you can make a protected disclosure about us or our Board members, officers or employees by contacting IBAC on the details below.

How can I access your 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

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

Mail, IBAC, GPO Box 24234, Melbourne Victoria 3001

www.ibac.vic.gov.au
1300 735 135

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 following information is available at <http://www.data.vic.gov.au/> in electronic readable format:

- › Aggregates, masonry & soils recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)
- › Victorian Local Government Annual Survey 2013-14 - Census of all 79 Victorian Local Governments
- › Rubber recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)
- › Plastics recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)
- › LCA kerbside recycling calculator: to determine the environmental benefits of recycling
- › Glass recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)
- › Paper and cardboard recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)
- › Victorian Recycling Industry Annual Survey 2013-14
- › Metal recovery in Victoria 2013-14 (part of the Victorian Recycling Industry Annual Survey 2013-14)

Annual financial statements

Comprehensive Operating Statement

For the financial year ended 30 June 2016

	Notes	2016 \$	2015 \$
Income from transactions			
Landfill levy	2	18,558,796	18,138,945
Government grants	2	11,186,150	13,775,482
Other income from government	2	387,060	695,435
Interest	2	446,088	706,607
Other income	2	2,117,228	1,864,888
Total income from transactions		32,695,322	35,181,357
Expenses from transactions			
Program expenses	3(a)	(15,062,875)	(20,143,427)
Employee benefits	3(b)	(13,442,812)	(13,582,301)
Depreciation and Amortisation	3(c)	(377,902)	(273,856)
Occupancy costs		(1,332,631)	(1,278,769)
Telecommunication & IT	3(d)	(2,061,154)	(2,977,902)
Finance costs	3(e)	(4,730)	(12,053)
Other operating expenses	3(f)	(1,198,342)	(2,066,751)
Total expenses from transactions		(33,480,446)	(40,335,059)
Net result from transactions (net operating balance)		(785,124)	(5,153,702)
Other economic flows included in net result			
Net Gain / (loss) on non-financial assets	4(a)	3,638	3,589
Net Gain / (loss) from other economic flows	4(b)	(152,425)	(81,058)
Total other economic flows included in net result		(148,787)	(77,469)
Net result		(933,911)	(5,231,171)
Comprehensive result		(933,911)	(5,231,171)

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

Balance Sheet

As at 30 June 2016

	Notes	2016 \$	2015 \$
Assets			
Financial assets			
Cash & deposits	17 (a)	17,875,185	25,227,830
Receivables	5	8,728,471	4,994,324
Total financial assets		26,603,656	30,222,154
Non-financial assets			
Property, plant & equipment	6	393,618	440,396
Other non-financial assets	7	516,968	197,276
Intangibles	8	804,355	309,621
Total non-financial assets		1,714,941	947,293
Total assets		28,318,597	31,169,447
Liabilities			
Payables	9	1,478,951	3,339,195
Borrowings	10	172,726	171,676
Provisions	11	2,621,011	2,678,756
Total liabilities		4,272,688	6,189,627
Net assets		24,045,909	24,979,820
Equity			
Accumulated surplus / (deficit)		(2,002,897)	(1,068,986)
Contributed capital		26,048,806	26,048,806
Total equity		24,045,909	24,979,820
Commitments for expenditure	14		
Contingent assets and contingent liabilities	16		

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 2016

	Notes	Accumulated Surplus / (Deficit) \$	Contributions by Owner \$	Total \$
Balance at 1 July 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
Net result for the year		(933,911)	-	(933,911)
Balance at 30 June 2016		(2,002,897)	26,048,806	24,045,909

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 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts			
Receipts from government grants		11,735,848	11,753,030
Receipts from government - other		387,060	988,955
Receipts from landfill levy		13,919,097	22,574,880
Other receipts		2,702,207	2,063,086
Interest received		496,971	734,876
Goods and Services Tax recovered from the ATO		1,861,656	3,939,821
Total Receipts		31,102,838	42,054,648
Payments			
Payments to program recipients		(16,621,617)	(22,491,167)
Payments to suppliers and employees		(20,961,213)	(22,396,159)
Interest and other costs of finance paid		(4,730)	(12,053)
Total Payments		(37,587,559)	(44,899,379)
Net cash flows from / (used in) operating activities	17 (b)	(6,484,721)	(2,844,731)
Cash flows from investing activities			
Payments for property, plant and equipment		(825,839)	(345,516)
Proceeds from disposal of property, plant and equipment		3,638	3,589
Net cash flows from / (used in) investing activities		(822,221)	(341,927)
Cash flows from financing activities			
Repayment of finance leases		(45,703)	(44,290)
Net cash flows from / (used in) financing activities		(45,703)	(44,290)
Net increase in cash & cash equivalents		(7,352,645)	(3,230,948)
Cash & cash equivalents at the beginning of the financial year		25,227,830	28,458,778
Cash & cash equivalents at the end of the financial year	17 (a)	17,875,185	25,227,830

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

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 2016.

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 22.

These annual financial statements were authorised for issue by the Chairperson of SV, Chief Executive Officer and Chief Financial Officer on 25 August 2016.

(B) Going Concern

Although the financial performance in 2015–16 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 2017, implementing the necessary changes once SV's role in climate change is confirmed.

SV maintained a minimum working capital of \$5.5 million in 2016 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.

(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 (G)); and
- ▶ 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; and
- ▶ 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 has 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 determines 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 2010*.

Outputs of SV

Information about SV's 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;
- › remeasurement of employee long service leave provisions;

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 SV does 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) 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.

(G) 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, discloses 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 and 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.

Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to Note 22 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:

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 percentage of the contract performed as at the reporting date, with the unperformed component of the contract included as part of Note 14 - Committed Expenditure.

(H) Other economic flows included in the net result

Other economic flows are changes in the volume or value 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.

Other gains / (losses) from other economic flows

Other gains / (losses) from other economic flows include the gains or losses from:

the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(I) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of SV's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of SV are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

(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 and 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

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.

SV tests all plant and equipment assets with useful lives for impairment by comparing their recoverable amount with their carrying amount annually. Where 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.

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 is 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 5 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 good and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1 (I)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Finance leases

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

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

The components of this current LSL liability are measured at:

- › nominal value - component that SV expects to settle within 12 months; and
- › 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 an other economic flow (refer to Note 1 (H)).

(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 which 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 14 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 16 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 or payable to the taxation authority, are presented as an operating cash flow.

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

(R) Rounding

All amounts shown in the financial statements are expressed to the nearest dollar unless otherwise stated.

Minor discrepancies in tables between totals and sum of components are due to rounding.

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

Certain new AASs have been published that are not mandatory for the 30 June 2016 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 2016, the following standards and interpretations (applicable to SV) had been issued but were not mandatory for the financial year ended 30 June 2016. SV has not early adopted these standards

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	<p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <ul style="list-style-type: none"> › The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and › Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	<p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p> <p>Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.</p> <p>For entities with significant lending activities, an overhaul of related systems and processes may be needed.</p>
AASB 2014-1 <i>Amendments 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.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
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 a customer.	1 Jan 2018	<p>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.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>

<p>AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i></p>	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> › the entity's right to receive payment of the dividend is established; › it is probable that the economic benefits associated with the dividend will flow to the entity; and › the amount can be measured reliably. 	<p>1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018</p>	<p>The assessment has indicated that there will be no significant impact for the public sector.</p>
<p>AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p>	<p>This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018</p>	<p>1 Jan 2018</p>	<p>This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.</p>
<p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> › A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; › For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and › For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	<p>1 Jan 2018</p>	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.</p>
<p>AASB 16 <i>Leases</i></p>	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.</p>	<p>1 Jan 2019</p>	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>

In addition to the new standards and amendments above the AASB has issued a list of other amending standards that are not effective for the 2015–16 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- › AASB 1056 *Superannuation Entities*
- › AASB 1057 *Application of Australian Accounting Standards*
- › AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 and AASB 1049]
- › AASB 2015-9 *Amendments to Australian Accounting Standards - Scope and Application Paragraphs* [AASB 8, AASB 133 and AASB 1057]
- › AASB 2015-10 *Amendments to Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128*
- › AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*

Note 2. Income from Transactions

	2016 \$	2015 \$
Landfill Levy	18,558,796	18,138,945
Government Grants		
State government departments and agencies:		
Sustainability Fund grants to Sustainability Victoria	4,750,579	9,775,482
Government Initiatives Funding	6,435,571	4,000,000
Total Government Grants	11,186,150	13,775,482
Other Income from Government		
Sustainability Fund - management fee	-	600,000
Secondment Fees	387,060	95,435
Total Other Income from Government	387,060	695,435
Interest		
Interest on bank deposits	446,088	706,607
Total Interest	446,088	706,607
Other Income		
FirstRate Certificates and Accreditation	1,595,163	1,313,650
Program contributions	522,065	551,238
Total Other Income	2,117,228	1,864,888
Total Income from Transactions	32,695,322	35,181,357

Note 3. Expenses from transactions

	2016 \$	2015 \$
(a) Program Expenses		
Integrated Waste Management	8,377,660	10,705,820
Resource Efficiency	3,275,952	5,757,915
Engagement (Includes all Litter and Schools Programs)	3,409,263	3,679,692
Total program expenses	15,062,875	20,143,427
(b) Employee Expenses		
Salaries and wages, annual leave and long service leave	12,351,438	12,489,562
Post employment benefits		
Defined contribution superannuation expense	1,042,968	1,038,976
Defined benefits superannuation expense	48,406	53,763
Total employee expenses	13,442,812	13,582,301
(c) Depreciation and Amortisation		
Plant, equipment and vehicles	236,292	273,856
Computer software	141,610	-
Total depreciation and amortisation	377,902	273,856
(d) Telecommunication & IT		
Telecommunication & IT costs	1,814,389	2,368,737
AuSSI Vic data management	22,230	98,928
FirstRate 5 – House energy rating program	224,536	510,237
Total Telecommunication & IT expenses	2,061,154	2,977,902
(e) Finance Costs		
Interest on finance leases	4,730	12,053
Total finance costs	4,730	12,053
(f) Other Operating Expenses		
Other Operational Costs	1,198,342	2,066,751
Total other operating expenses	1,198,342	2,066,751

Note 4. Other economic flows included in net result

	2016 \$	2015 \$
(a) Net gain/(loss) on non-financial assets		
Net gain on disposal of property, plant and equipment	3,638	3,589
Total net gain / (loss) on non-financial assets	3,638	3,589
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of employee benefits (i)	(152,425)	(81,058)
Total net gain / (loss) from other economic flows	(152,425)	(81,058)

Note:

(i) Revaluation gain/ (loss) due to changes in bond rates.

Note 5. Receivables

	2016 \$	2015 \$
Current receivables		
Contractual		
Trade debtors	43,322	91,007
Other receivables	18,783	15,848
Accrued Investment income	28,441	79,324
Amounts owing from Victorian Government (i)	3,623,350	4,173,048
Total Contractual	3,713,896	4,359,227
Statutory		
Accrued Landfill Levy (ii)	4,639,699	-
GST Receivable	374,877	635,097
Total Statutory	5,014,576	635,097
Total current receivables	8,728,471	4,994,324
Total receivables	8,728,471	4,994,324

Note:

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

(ii) All monies due for Landfill Levy in 2016 were paid in July 2016.

Note 6. Property, plant and equipment

TABLE 6.1: GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2016 \$	2015 \$
Office Furniture and Equipment		
At Fair Value	578,116	578,117
Less: Accumulated Depreciation	(517,351)	(497,832)
	60,766	80,285
Computer Equipment		
At Fair Value	832,171	690,514
Less: Accumulated Depreciation	(671,142)	(499,101)
	161,029	191,413
Motor Vehicles - Leased		
At Fair Value	216,951	246,983
Less: Accumulated Depreciation	(45,128)	(78,285)
	171,823	168,698
Total property, plant and equipment	393,618	440,396

TABLE 6.2: MOVEMENTS IN CARRYING AMOUNTS

Carrying Amount 2016	Office Furniture and Equipment \$	Computer Equipment \$	Motor Vehicles Leased \$	Total \$
Opening Balance	80,285	191,413	168,698	440,396
Additions	-	141,657	136,220	277,877
Depreciation	(19,519)	(172,041)	(44,733)	(236,293)
Disposals	-	-	(88,362)	(88,362)
Closing Balance	60,766	161,029	171,823	393,618
Carrying Amount 2015	Office Furniture and Equipment \$	Computer Equipment \$	Motor Vehicles Leased \$	Total \$
Opening Balance	116,241	348,414	246,983	678,357
Additions	-	35,895	-	35,895
Depreciation	(35,956)	(192,896)	(78,285)	(273,856)
Closing Balance	80,285	191,413	168,698	440,396

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

	2016 \$	2015 \$
Office furniture and equipment	19,519	35,956
Computer equipment	172,041	192,896
Motor vehicles - Leased	44,733	45,004
	236,292	273,856

TABLE 6.4 FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

	Carrying Amount as at 30 June 2016 \$	Fair value measurement at end of reporting period using:		
		Level 1(i) \$	Level 2 (i) \$	Level 3 (i) \$
Office Furniture and Equipment at fair value	60,766	-	-	60,766
Computer Equipment at fair value	161,029	-	-	161,029
Total Property, Plant and Equipment	221,795	-	-	221,795
	Carrying Amount as at 30 June 2015 \$	\$	\$	\$
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

Note:

(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 2016.

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 2016.

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

	2016		2015	
	Office Furniture and Equipment \$	Computer Equipment \$	Office Furniture and Equipment \$	Computer Equipment \$
Opening Balance	80,285	191,413	116,241	348,414
Purchases (sales)	-	141,657	-	35,895
Depreciation	(19,519)	(172,041)	(35,956)	(192,896)
Subtotal	60,766	161,029	80,285	191,413
Closing Balance	60,766	161,029	80,285	191,413

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

2016	Valuation Technique	Significant unobservable inputs
Office Furniture & Equipment	Depreciated Replacement Cost	Cost per unit
Computer Equipment	Depreciated Replacement Cost	Cost per unit
2015	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

	2016 \$	2015 \$
Current other assets		
Prepayments	516,968	197,276
Total Current other assets	516,968	197,276
Total other non-financial assets	516,968	197,276

Note 8. Intangibles

	2016 \$	2015 \$
Gross carrying amount		
Opening Balance	309,621	-
Additions from IT development	636,344	309,621
Closing Balance	945,965	309,621
Accumulated depreciation, amortisation and impairment		
Opening Balance		
Amortisation expense (i)	(141,610)	-
Closing Balance	(141,610)	-
Net book value at end of financial year	804,355	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 its Contract Management System.

Note 9. Payables

	2016 \$	2015 \$
Current payables		
Contractual		
Trade Creditors	203,909	309,380
Accrued project grants	731,723	2,290,465
Accrued expenses	346,616	203,766
Other payables (i)	-	206,034
	1,310,248	3,009,645
Statutory		
GST payable	144,127	267,369
FBT payable	24,576	21,057
Other taxes payable	-	41,124
	168,703	329,550
Total Current Payables	1,478,951	3,339,195
Total Payables	1,478,951	3,339,195

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 15.3 in Note 15 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 10. Borrowings

	2016 \$	2015 \$
Current Borrowings		
Finance Lease Liabilities ⁽ⁱ⁾	70,027	68,959
Total Current Borrowings	70,027	68,959
Non - Current Borrowings		
Finance Lease Liabilities ⁽ⁱ⁾	102,699	102,717
Total Non-Current Borrowings	102,699	102,717
Total Borrowings	172,726	171,676

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 15.3 in Note 15 for the maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 15 for the nature and extent of risks arising from borrowings.

(c) Defaults and breaches

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

Note 11. Provisions

	2016 \$	2015 \$
Current provisions		
Employee Benefits (Note 11(a)) ⁽ⁱ⁾		
Annual Leave (Note 11(a));		
Unconditional and expected to settle within 12 months	498,157	664,544
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	276,729	303,962
Long Service Leave (Note 11(a));		
Unconditional and expected to settle within 12 months	548,563	649,500
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	504,688	249,148
	1,828,137	1,867,154
Provisions for on-costs (Note 11(a) and Note 11(b));		
Unconditional and expected to settle within 12 months	152,539	182,539
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	113,965	76,273
	266,504	258,812
Total current provisions	2,094,641	2,125,966
Non-current provisions		
Employee Benefits (Note 11(a)) ⁽ⁱ⁾	459,311	483,953
On-costs (Note 11(a) and Note 11(b));	67,059	68,837
Total non-current provisions	526,370	552,790
Total provisions	2,621,011	2,678,756

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)

	2016 \$	2015 \$
Current employee benefits		
Annual leave	774,886	968,506
Long service leave	1,053,251	898,648
	1,828,137	1,867,154
Non-current employee benefits		
Long service leave	459,311	483,953
Total Employee Benefits	2,287,448	2,351,107
Current on-costs	266,504	258,813
Non-current on-costs	67,059	68,836
Total on-costs	333,563	327,649
Total employee benefits and on-costs	2,621,011	2,678,756

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.

(b) Movement in on-costs

Opening Balance 1 July 2015	327,649
Additional provisions recognised	177,684
Additions due to transfer in	6,583
Reductions arising from payments/other sacrifices of future economic benefit	(178,734)
Unwind of discount and effect of changes in the discount rate	381
Closing Balance 30 June 2016	333,563
Current	266,504
Non-Current	67,059
Total On-costs	333,563

Note 12. 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 Department of Treasury and Finance 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	
	2016 \$	2015 \$	2016 \$	2015 \$
Defined benefit plans: ⁽ⁱ⁾				
Emergency Services and State Super Fund	48,406	53,763	-	-
Defined contribution plans:				
VicSuper	514,410	563,227	-	-
Other	528,557	475,749	-	14,973
	1,091,374	1,092,739	-	14,973

Notes:

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

Note 13. Leases

(a) Disclosures for lessees - finance lease

The finance leases entered into by SV relate to motor vehicles through VicFleet with lease terms of 3 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	
	2016 \$	2015 \$	2016 \$	2015 \$
Not longer than one year	75,194	78,055	70,027	68,959
Longer than one year but not longer than five years	107,110	104,860	102,699	102,717
Minimum future lease payment	182,304	182,915	172,726	171,676
Less future finance charges	9,578	11,239	-	-
Present value of minimum lease payments	172,726	171,676	172,726	171,676
Included in the financial statements as:				
Current borrowings lease liabilities (Note 10)			70,027	68,959
Non-current borrowings lease liabilities (Note 10)			102,699	102,717
Total			172,726	171,676

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 14(b)

Note 14. Commitments for expenditure

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

(a) Commitments for expenditure (i)

	2016 \$	2015 \$
	Nominal value	Nominal value
Operating and lease commitments		
Office accommodation	6,203,572	7,266,362
Total operating and lease commitments	6,203,572	7,266,362
Other commitments		
Contracts	12,814,190	18,716,662
Total other commitments	12,814,190	18,716,662
Total commitments payable	19,017,762	25,983,024

Note:

(i) The figures presented are inclusive of GST.

(b) Commitments payable

Nominal values	2016 \$	2015 \$
Operating and lease commitments payable⁽ⁱ⁾		
Less than 1 year	1,105,302	1,062,790
Longer than 1 year but not longer than 5 years	5,098,270	4,693,626
5 years or more	-	1,509,946
Total operating and lease commitments	6,203,572	7,266,362
Other commitments payable⁽ⁱⁱ⁾		
(i) not later than one year - Tied funding	7,041,431	7,778,351
(i) not later than one year - Other funding	2,774,337	9,379,061
(ii) later than one year but not later than five years - Tied funding	66,000	1,414,600
(ii) later than one year but not later than five years - Other funding	2,932,422	144,650
Total other commitments payable	12,814,190	18,716,662
Total Commitments (inclusive of GST)	19,017,762	25,983,024
Less GST recoverable from the Australian Taxation Office	1,728,887	2,362,093
Total Commitments (exclusive of GST)	17,288,875	23,620,931

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 5 years.

(ii) Other commitments are entered into through 281 contracts by SV as at the reporting date (406 contracts at 30 June 2016) but not included in the Balance Sheet and are carried forward into the 2015-16 financial year and beyond

Note 15. 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 15.1 below.

TABLE 15.1: CATEGORISATION OF FINANCIAL INSTRUMENTS

	Category	Note	2016 \$	2015 \$
Contractual financial assets				
Receivables	Loans and Receivables	5	3,713,896	4,359,227
Total Contractual financial assets			3,713,896	4,359,227
Contractual financial liabilities				
Payables	Amortised cost	9	1,310,248	3,009,645
Finance Lease Liabilities	Amortised cost	10, 13	172,726	171,676
Total Contractual financial liabilities			1,482,973	3,181,321

(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 15.2: AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

2016	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	43,322	10,322	33,000	-	-
Accrued investment income	28,441	28,441	-	-	-
Amounts owing from Victorian Government	3,623,350	3,623,350	-	-	-
Other debtors	18,783	-	2,897	8,690	7,195
Total	3,713,896	3,662,113	35,897	8,690	7,195
2015					
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

(c) Liquidity risk

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

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 15.3: MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

2016	Carrying amount \$	Nominal Amount \$	Maturity dates			1-5 years \$
			Less than 1 month \$	1-3 months \$	3 months - 1 year \$	
Payables: ⁽ⁱ⁾						
Trade Creditors	203,909	203,909	195,668	7,900	341	-
Accrued Project Grants	731,723	731,723	731,723	-	-	-
Accrued Expenses	374,616	374,616	374,616	-	-	-
Borrowings:						
Finance Lease Liabilities	172,726	172,726	5,836	17,507	46,684	102,699
Total	1,482,973	1,482,973	1,307,842	25,407	47,026	102,699
2015						
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

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 is 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 15.4.

TABLE 15.4: INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

2016	Weighted average interest rate %	Carrying Amount \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	1.84%	17,875,185	14,674,000	3,199,585	1,600
Receivables		3,713,896			3,713,896
Total financial assets		21,589,080	14,674,000	3,199,585	3,715,896
Financial liabilities					
Payables		1,310,248	-	-	1,310,248
Finance Leases	4.17%	172,726	172,726	-	-
Total financial liabilities		1,482,973	172,726	-	1,310,248
2015					
Financial assets					
Cash and deposits	2.55%	25,227,830	24,500,000	726,230	1,600
Receivables		4,359,227			4,359,227
Total financial assets		29,587,057	24,500,000	726,230	4,360,827
Financial liabilities					
Payables		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

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 believes that the following movements are "reasonably possible" over the next 12 months:

- a movement of 50 basis points up and down (2015: 50 basis points up and down) in market interest rates (AUD) from year-end rates of 2.00 per cent (2015: 2.45 percent)

TABLE 15.5: MARKET RISK (INTEREST RATE RISK)

30 June 2016	Carrying amount \$	Interest rate risk			
		-50 basis points		+50 basis points	
		Net Result \$	Equity \$	Net Result \$	Equity \$
Financial assets					
Cash and cash equivalents	17,875,185	(89,376)	(89,376)	89,376	89,376
30 June 2015		-50 basis points		+50 basis points	
Financial assets					
Cash and cash equivalents	25,227,830	(126,139)	(126,139)	126,139	126,139

Note 16. Contingent assets and contingent liabilities

SV had no contingent assets or liabilities as at the reporting date (2015: \$Nil)

Note 17. Cash flow information

(a) Reconciliation of cash and cash equivalents

	2016 \$	2015 \$
Cash at bank	3,199,585	726,230
Cash on hand	1,600	1,600
Short-term deposits	14,674,000	24,500,000
Balance as per cash flow statement (i)	17,875,185	25,227,830

Note:

(i) Of the \$17,875,185 cash and short term deposits held by SV as at 30 June 2016, \$3,182,078 represents funds received from Government tied to the delivery of specific projects that was unspent at 30 June 2016. Of the balance, \$14,693,107 is fully contracted in projects funded from recurrent revenue and surpluses or other government funds.

(b) Reconciliation of net result for the financial year

	2016 \$	2015 \$
Net result for the financial year	(933,911)	(5,231,171)
Non-cash movements:		
Depreciation	377,902	273,856
(Gain) / Loss on disposal of assets	(3,638)	(3,589)
Movements in assets and liabilities:		
Increase / (Decrease) in employee entitlements	(57,744)	134,602
(Decrease) / Increase in payables	(1,813,491)	(129,067)
(Increase) / Decrease in prepayments	(319,692)	(2,445)
Decrease / (Increase) in receivables	(3,734,147)	2,113,083
Net Cash Inflow from Operating Activities	(6,484,721)	(2,844,731)

Note 18. 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 of Energy, Environment and Climate Change The Hon. Lily D'Ambrosio (from 23 May 2016 to 30 June 2016)

Minister for Environment, Climate Change and Water The Hon. Lisa Neville (1 July 2015 to 22 May 2016)

Board members:

1 July 2015 to 30 June 2016

Heather Campbell, Chair (from 26 February 2016)

Ross McCann, Interim Chair (from 1 July 2015 to 25 February 2016)

Suzanne Evans (resigned 8 January 2016)

Roger Parker

Arron Wood

Megan Flynn

Daniel Fyfe

Kane Thornton

Vicky Darling (appointed 10 June 2016)

Jennifer Lauber Patterson (appointed 10 June 2016)

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 2016	Base remuneration 2016	Total remuneration 2015	Base remuneration 2015
Income band	No.	No.	No.	No.
0 - \$9,999	6	6	7	7
\$10,000 - \$19,999	1	1	4	4
\$270,000 - \$279,999	-	-	-	1
\$290,000 - \$299,999	-	1	-	-
\$300,000 - \$309,999	-	-	1	-
\$320,000 - \$329,999	1	-	-	-
Total numbers	8	8	12	12
Total amount	\$388,445	\$370,467	\$406,619	\$381,592

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 \$83,999 paid and payable (2015: \$70,221). 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	\$
Kane Thornton	Chief Executive Officer of the Clean Energy Council.	Sponsorship of the Clean Energy Council and Australian Battery Recycling Imitative Industry forum.	2,000
Arron Wood	Director of Kids Teaching Kids.	Sponsorship for the 2015 Melbourne Water Kids Teaching Kids Conference.	5,000
Megan Flynn	Non-Executive Director of the Carbon Market Institute.	Sponsorship package for the 3rd Australian Emissions Reduction Summit.	12,500
Suzanne Evans	Risk and Audit Committee Member for the Department of Environment, Land, Water and Planning.	Accommodation Licence and Business Services Agreement for 5 Regional Office Locations.	64,499
Total			83,999

Note 19. 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, long service leave 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.

	Total remuneration		Base remuneration	
	2016	2015	2016	2015
Income band	No.	No.	No.	No.
\$100,000 - 109,999	-	1	-	1
\$170,000 - 179,999	-	2	-	2
\$180,000 - 189,999	2	-	3	-
\$190,000 - 199,999	1	1	-	1
\$200,000 - 209,999	1	-	1	-
Total number of executives	4	4	4	4
Total annualised employee equivalents (i)	4.0	4.0	4.0	4.0
Total amount	\$767,483	\$742,992	\$749,822	\$739,822

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 2016 (2015:Nil).

Note 20. Remuneration of auditors

	2016 \$	2015 \$
Victorian Auditor-General's Office		
Audit of the financial statements	26,900	26,200
Total	26,900	26,200

Note 21. Subsequent events

SV had no subsequent events to report within the 2015-2016 financial year.

Note 22. Glossary of Terms and style conventions

Amortisation

Amortisation is the expense which 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 raised 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 the 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; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial assets 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:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (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; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. 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; and
- (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; and
- › 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; and
- (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 2016 and the financial position of SV as at 30 June 2016.

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 25 August 2016



Heather Campbell
Chair
Sustainability Victoria



Stan Krpan
Chief Executive Officer
Sustainability Victoria



Matthew Beattie
Chief Financial Officer
Sustainability Victoria

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Sustainability Victoria

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 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 chair, accountable officer and chief finance officer.

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.

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, I and my 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 2016 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
29 August 2016


for Dr Peter Frost
Acting Auditor-General

Appendix 1

Disclosure index

The 2015–16 Annual Report of SV is prepared according to all relevant Victorian legislation and pronouncements. This index below outlines our compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
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**Other disclosures as required by FRDs
in notes to the financial statements**

FRD 11A	Disclosure of ex-gratia payments	NA
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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 businesses and commercial office buildings 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

Business Productivity Program

The Business Productivity 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 SV 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.

Energy Efficient Office Buildings

The Energy Efficient Office buildings works with mid-tier office buildings to improve their energy efficiency and asset performance. Mid-tier offices are typically characterized by smaller sized building with non-institutional owners. There are over 2700 mid-tier offices in Victoria that have significant opportunities to reduce their energy usage, operating costs and improve occupant comfort.

With the support of SV, mid-tier offices undertook a 3 stage process which included:

- › A comprehensive audit that identified building improvements.
- › Implementation and tuning of building systems.
- › Monitoring and measuring building performance for a 12 month period.

17 August 2016

**Independent Verification Statement:
Greenhouse Gas Emissions Abatement from the Energy
Efficient Office Buildings and Business Productivity
programs in 2015-16**

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To the Board of Directors and Executive of Sustainability Victoria,

Arup was engaged by Sustainability Victoria to undertake an independent verification of the estimated Greenhouse Gas (GHG) emissions abatement from the following programs for the period 1st of July 2015 to 30th of June 2016:

- Energy Efficient Office Buildings program
- Business Productivity program.

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 programs. 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; 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 Principal, 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	2011/12	2012/13	2013/14	2014/15	2015/16
Energy	Office tenant light and power (OTLP) use per THC ²	Megajoules per THC	3,608	4,600	3,760	3,742	3,746
	Office tenant light and power use per FTE ³	Megajoules per FTE	3,869	4,868	4,159	3,839	4,074
	Total Electricity use OTLP	Megajoules	494,311	501,358	473,733	437,821	445,738
	Use per square metre of office space	Megajoules per m ²	255	258	244	224	228
	Total Green Power	%	100%	100%	100%	100%	100%
	Base building apportioned electricity use	Megajoules	361,868	343,116	344,962	328,043	313,182.15
	Base building apportioned natural gas use ⁴	Megajoules	299,419	312,852	264,451	164,334	242,643
	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	135	128	126	121	109.61
	Total GHG emissions associated with apportioned gas use	Tonnes of CO ₂ -e	16.5	17.3	15	9	13.40

Environmental Aspect ¹	Description	Unit of Measure	2011/12	2012/13	2013/14	2014/15	2015/16
Paper ⁵	Use per THC	Reams per THC	5.5	6.4	5.2	5.2	4.7
	Use per FTE	Reams per FTE	5.9	6.7	5.8	5.3	5.1
	Recycled content	Percentage total	97%	99%	94%	100%	100%
	Total use	Reams	759	693	655	606	563
	Paper GHG emissions	Tonnes of CO ₂ -e	3	2	2	2	2
Waste ⁶	Generated per THC	Kilograms per THC	57.6	N/A ⁷	57.0	56	42
	Generated per FTE	Kilograms per FTE	61.7	N/A ⁷	63.0	58	45
	Organics per FTE	Kilograms per FTE	10.1	8.0	13.9	15.37	14
	Recyclables per FTE	Kilograms per FTE	49.1	N/A ⁷	44.7	36.92	23
	Landfill per FTE	Kilograms per FTE	2.6	3.2	4.3	5.58	8
	Organics	Total kg to processor	1,286	827	1,589	1,753	1,533
	Recyclable materials	Total kg to processors	6,272	N/A ⁷	5,093	4,211	2,549
	Landfill	Total kg to landfill	329	329	494	636	876
	Total recycled (incl Organics)	Percentage	96%	N/A ⁷	93%	90%	82%
	Waste GHG emissions	Kilograms	362	395	593	764	1,226.75

Environmental Aspect ¹	Description	Unit of Measure	2011/12	2012/13	2013/14	2014/15	2015/16
Water	Total Potable Water - Tenancy Only ⁷	Kilolitres		0.00	508.90	588.62	651.97
	Potable Water per FTE - Tenancy Only ⁷	Kilolitres per FTE		0.00	4.47	5.16	5.96
	Potable Water per THC - Tenancy Only ⁷	Kilolitres per THC		0.00	4.04	5.03	5.48
	Potable Water per m ² - Tenancy Only ⁷	Kilolitres per m ²		0.00	0.26	0.30	0.33
	Total Apportioned Water ⁸	Kilolitres		874.18	1,000.04	701.92	1,011.09
	Apportioned Water per FTE ⁸	Kilolitres per FTE		8.49	8.79	6.05	9.32
	Apportioned Water per THC ⁸	Kilolitres per THC		8.02	7.68	5.80	8.30
	Apportioned Water per m ² ⁸	Kilolitres per m ²		0.45	0.52	0.36	0.52
	Potable Consumption per THC	Kilolitres per THC	5.31	0.00	4.04	5.03	5.48
	Potable Consumption per FTE	Kilolitres per FTE	5.69	0.00	4.47	5.16	5.96
	Potable Consumption per unit of Office Space	Kilolitres per m ²	0.37	0.00	0.26	0.30	0.33
	Total potable water consumption floor only	Kilolitres	555	0	509	589	651.97
	Recycled water floor only	Kilolitres	33	0	8	18	17.56
	Total apportioned water consumption ⁸	Kilolitres	777	874	1,000.04	702	1,011.09
	Apportioned water consumption per THC	Kilolitres per THC	5.67	8.02	7.94	6	8.50
	Apportioned water consumption per FTE	Kilolitres per FTE	6.08	8.49	8.78	6.15	9.24

Environmental Aspect ¹	Description	Unit of Measure	2011/12	2012/13	2013/14	2014/15	2015/16
Transportation ¹⁰	Energy consumption per THC	Gigajoules per THC	2.32	4.58	4.11	4.25	3.59
	Energy consumption per FTE	Gigajoules per FTE	2.5	4.85	4.54	4.36	3.91
	Total energy consumption	Gigajoules	317.49	499.28	517.48	497.37	427.27
	Total vehicle travel by vehicle type ¹⁰	Kilometres	167,426	239,469	236,808	233,114	204,015
	Total associated GHG emissions	Kilograms of CO ₂ -e	21,246	33,412	34,630	33,284	28,892
	GHG emissions/1,000 km travelled	Kilograms of CO ₂ -e	127	140	146	143	142
	Staff Travel associated with agency operations per THC	Kilometres per THC	1,222	2197	1,879	1,992	1,714
	Staff Travel associated with agency operations per FTE	Kilometres per FTE	1,311	2325	2,079	2,044	1,865
	Total air travel associated with agency operations	Kilometres	220,870	179,405	220,724	236,255	146,960
	Employees regularly using public transport, cycling or walking to and from work	Percentage	91.0%	90.3%	89.0%	90.8%	90.1%
Employees regularly using more sustainable modes of transport ¹¹	Percentage	28.0%	26.7%	28.8%	33.3%	29.1%	
Greenhouse Gas Emissions <small>15,16,17,18,19,21</small>	Total GHG emissions associated with scope 3 energy use ¹²	Kilograms of CO ₂ -e	20,596	20,890	19,739	18,243	16,096
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ -e	21,246	33,412	34,630	33,284	28,892
	Total GHG emissions associated with air travel ¹³	Kilograms of CO ₂ -e	57,388	44,250	75,830	72,562	43,665
	Total GHG emissions associated with waste disposal	Kilograms of CO ₂ -e	362	395	593	764	1,227
	Total GHG emissions from staff commute ¹⁸	Kilograms of CO ₂ -e		113,289	120,576	163,394	108,884
	Total GHG emissions associated with scope of operational activities ^{19,21}	Kilograms of CO ₂ -e	432,342	538,003	559,475	577,715	473,356

Notes:

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|----|---|
| 1 | During the first half of FY 2015/16, SV had an average of 338 clients / guest visitors per month. |
| 2 | THC = Average Total Head Count as of 30 June 2016 which includes contractors employed at SV. 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 2016. Temporary agency employees are not included in FTE. |
| 4 | Base building apportioned gas consumption is calculated from net lettable area. With SV occupying 1 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 2015–16 which is meant to be within ±10% accuracy. |
| 7 | SV 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 SV'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 SV. |
| 9 | As of June 2014 vehicle fleet entirely made up of Hybrid Camrys including 5 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 be 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 easier illustration. |
| 15 | Greenhouse Gas emission factors based on August 2015 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 CO ₂ 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% buffer in the purchase of carbon offsets has been incorporated to cover any inaccuracies in calculating the components included within SVs Greenhouse inventory boundary. |
| 20 | Total vehicle travel distance was incorrectly reported in 2014/15. The correct value is 234,313km. This does not impact the GHG emissions reported. |
| 21 | The equation for Total GHG emissions associated with scope of operational activities for 14/15 did not include the Total GHG emissions from staff commute in 14/15 Annual Report. This has been corrected in 15/16. |
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11 August 2016

**Independent Verification Statement:
Greenhouse Gas Operational Emissions 2015-16**

To the Board of Directors and Executive of Sustainability Victoria,

Arup was engaged by Sustainability Victoria to undertake an independent verification of the organisation's operational Greenhouse Gas (GHG) emissions for the period 1st of July 2015 to 30th of June 2016. 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 processes and controls applied 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 Principal, Environment and Sustainability Leader VIC/SA
Melbourne, Victoria

Appendix 4

Grant allocations

Organisation	ABN / ACN	Description	Payment \$
Australian Packaging Covenant 14/15 Grants Program			
Deakin University	56 721 584 203	Achieving Packaging Recycling Excellence at Victorian Universities – Setting the National Benchmark	24,500.00
Shire of Campaspe	23 604 881 620	Campaspe Recycling Bin Audit APC VIC 258/14	3,000.00
City of Monash	23 118 071 457	Cardboard Compactor for Recovery at Transfer Station – City of Monash	500.00
City of Yarra	98 394 086 520	Cardboard Compactor Installation at Clifton Hill Depot	3,999.18
Linpac Packaging Australia Pty Limited	26 164 926 434	LINPAC 'Elite' Project	70,000.00
Welvic Australia Pty Ltd	47 121 792 818	APC 15 16 Welvic	32,175.00
Gt Recycling	16 495 764 668	GT Recycling – Flexible Polypropylene Packaging Recycling	80,000.00
Building Victoria's Organics Recovery Grants Program			
City of Greater Geelong	18 374 210 672	Building Victoria's Organics Recovery – Geelong	50,000.00
City of Ballarat	37 601 599 422	Kerbside Organics Procurement in City of Ballarat	500,000.00
City of Greater Bendigo	74 149 638 164	Kerbside organics procurement in City of Greater Bendigo	300,000.00
Business Champion Networks Grants Program			
East Gippsland Food Cluster Inc	68 491 193 041	East Gippsland Food Cluster event series	2,500.00
Noisebox Productions Pty Ltd	45 084 755 144	Hume Business Network Video Case Studies	2,000.00
City of Kingston	80 640 377 247	Kingston Sustainable Business Network	2,260.00
Committee of Portland	15 932 119 785	Portland Manufacturing, Assemble, and Design Engineering Network	3,000.00
South Gippsland Shire Council	67 816 770 786	South Gippsland Manufacturing Event Series	9,115.55

Organisation	ABN / ACN	Description	Payment \$
Community Sustainability Infrastructure Fund Grants Program			
Pgm Refiners Pty Limited	48 119 691 262	Community Sustainability Infrastructure Fund – LCD Recycling Plant	110,000.00
Shire of Corangamite	87 042 518 438	Corangamite Shire Council Waste Diversion Improvements through Future Innovation and Action	60,000.00
Future Employment Opportunities Inc	23 307 388 437	EPS recovery for recycling – Eaglehawk Eco Centre	10,000.00
City of Greater Geelong	18 374 210 672	Geelong Energy Efficient Buildings	109,288.00
Green Collect	68 112 489 684	Growing capacity and innovation with hard to recycle materials	15,000.00
Hepburn Shire Council	76 845 763 535	Hepburn Shire Council – Kerbside Collection Expansion	66,000.00
Hepburn Shire Council	76 845 763 535	Hepburn Shire Council – Waste to Energy Implementation Strategy	4,575.00
Foamex Victoria Pty Limited	72 006 535 520	Installation of Hirsch PREEX9000 boiler machine – Somerton	10,000.00
Kia-Orra Piggery Pty Ltd	71 007 178 725	Kia-Ora Piggery Waste Food Value Adding and Anaerobic Waste to Energy	100,012.00
Kildonan Child & Family Services	11 805 856 055	Kildonan Uniting Care – Energy efficiency, solar power and waste reduction project	5,000.00
Manningham City	61 498 471 081	Manningham City Council – Street bin infrastructure upgrade	26,216.00
Mawarra Centre Inc	22 394 403 321	Mawarra Centre – Baw Baw Wood Recovery and Solar Installation	2,674.00
Mazenod College	62 945 380 642	Mazenod College Solar System	7,500.00
Moreland Energy Foundation	72 095 439 160	MEFL Bright Clean School Power – Solar Infrastructure Project	5,000.00
City of Yarra	98 394 086 520	Model Strip Shopping Recycling Facilitation and Infrastructure VIC 254/14	28,500.00
Morgan's Supermarket	67 006 780 123	Morgans Supermarkets Strategic Energy Efficiency Upgrades	9,004.00
Brunswick Secondary College	34 989 696 626	Recycling and Waste Reduction system introduction and case study	925.00
South Pacific Laundry	87 096 726 760	South Pacific Laundry – Boiler infrastructure upgrade	9,999.00
Pinewood Primary School	28 204 841 682	Sustaining Pinewood	440.34
Western District Employment	18 781 854 750	WDEA – Recover, Recycle and Reuse	3,780.00
Borough of Queenscliffe	47 294 157 406	Borough of Queenscliffe – Kerbside green waste collection implementation	23,086.00
Langford Arch P/L	70 502 734 070	Woodards Strategic Energy Efficiency Upgrades	8,000.00

Organisation	ABN / ACN	Description	Payment \$
Discretionary Grants (No Grant Program)			
Net Balance Foundation Limited	86 122 436 042	Australian Construction Supply Chain Sustainability School Funding Agreement	5,000.00
Northern Grampians Shire Council	42 592 845 947	Feasibility Study: Identifying and addressing barriers to recycling tyres in Stawell	7,500.00
Aora Limited	17 158 519 736	Revision of AS4419 – Soils for landscaping and garden use	8,000.00
Veolia Environmental Services	20 051 316 584	Veolia - Kilter three year compost demonstration trial for broadacre crops in the Mallee Region, Victoria	20,000.00
Driving Investment In New Recycling Round 2 Grants Program			
Action Recovery and Recycling Pty Ltd	99 160 050 939	Brooklyn Materials Recovery Facility	186,500.00
KKC Recycling Pty Ltd	79 078 695 956	Extension of Materials Recycling Facility	1,998.00
Household Chemical Collection Program Grants Program			
City of Bayside	65 486 719 651	Household Chemical Waste Disposal Program – Permanent Drop-off Site Infrastructure Upgrade	10,000.00
Kerbside Food Organics Garden Organics Recovery Grants Program			
City of Wodonga	63 277 160 265	Education and engagement campaign for Wodonga and Indigo council's new organics kerbside collection service	112,500.00
Goulburn Valley Waste And Resource Recovery Group	45 668 803 349	Garden and food waste collection in the Goulburn Valley	152,190.00
Latrobe City	92 472 314 133	Marketing of the Gippsland Collaborative Waste Investment Initiative Request for Proposal ("Project")	3,000.00
Public Place Recycling Grants Program			
Glenelg Shire	48 217 289 490	Glenelg Shire Council – Percy Street Public Place Recycling (PPR) Project	34,078.65
Resourcesmart Schools Phase 2 Grants Program			
Gippsland Waste and Resource Recovery Group	68 272 158 677	Gippsland ResourceSmart Schools Vic Phase 2	80,000.00
Goulburn Valley Region Water Corporation	84 578 076 056	Hume ResourceSmart AuSSI Vic Phase 2	47,810.50
Ceres	60 133 437 610	Metropolitan (Northern, Southern and Eastern) ResourceSmart AuSSI Vic Phase 2	339,423.00
Resourcesmart Schools: Education Facility Energy Efficiency Grants for Sustainable Schools Initiative Grants Program			
Department of Education & Training	52 705 101 522	Education Facility Energy Efficiency Grants for Sustainable Schools Initiative (2011-2015)	40,000.00

Organisation	ABN / ACN	Description	Payment \$
Rural & Regional Transfer Station Upgrade Fund Grants Program			
Baw Baw Shire Council	47 274 526 683	Baw Baw Shire Council Transfer Station Upgrades	182,682.00
Shire of Campaspe	23 604 881 620	Campaspe Shire Council Transfer Station Upgrades	160,000.00
Central Goldfields Shire	82 120 379 784	Central Goldfields Shire Council Transfer Station Upgrade	36,602.00
City of Ballarat	37 601 599 422	City of Ballarat Transfer Station Upgrade	28,350.75
Shire of Colac Otway	32 430 819 755	Colac Otway Shire Transfer Station Upgrade	55,200.00
Shire of Corangamite	87 042 518 438	Corangamite Shire Council Transfer Station Upgrade	17,776.00
Hepburn Shire Council	76 845 763 535	Hepburn Shire Council Transfer Station Upgrade	61,600.00
Mornington Peninsula Shire Council	53 159 890 143	Mornington Peninsula Shire Transfer Station Upgrade	16,855.00
Moyne Shire Council	69 056 376 923	Moyne Shire Council Transfer Station Upgrade	160,000.00
Northern Grampians Shire Council	42 592 845 947	Northern Grampians Shire Council Transfer Station Upgrade	59,800.00
Rural City of Wangaratta	67 784 981 354	Rural City of Wangaratta Transfer Station Upgrade	43,727.00
Shire of Strathbogie	50 882 781 013	Strathbogie Shire Council Transfer Station Upgrades	63,173.50
Swan Hill Rural City Council	97 435 620 016	Swan Hill Rural City Council Transfer Station Upgrade	152,834.00
Towong Shire Council	45 718 604 860	Towong Shire Council Transfer Station Upgrades	74,400.00
Wellington Shire Council	18 420 243 468	Wellington Shire Council Transfer Station Upgrade	84,000.00
West Wimmera Shire Council	17 283 765 673	West Wimmera Shire Council Transfer Station Upgrades	47,200.00
Rural And Regional Landfill Support Grants Program			
Buloke Shire Council	89 293 793 980	Rural and Regional Landfill Support – Buloke Shire Council – Charlton Landfill	10,000.00
East Gippsland Shire Council	81 957 967 765	Rural and Regional Landfill Support – East Gippsland Shire Council – Orbost Landfill	140,000.00
Golden Plains Shire Council	86 998 570 296	Rural and Regional Landfill Support – Golden Plains Shire Council – Rokewood and Teesdale Landfills	10,000.00
Glenelg Shire	48 217 289 490	Rural and Regional Landfill Support: Glenelg Shire Council – Casterton Landfill	98,750.00
Northern Grampians Shire Council	42 592 845 947	Rural and Regional Landfill Support: Northern Grampians Shire Council – Hard Hills Landfill	50,000.00

Organisation	ABN / ACN	Description	Payment \$
Smarter Resources Smarter Business - Energy Efficient Office Buildings (SRSB EEOB) Grants Program			
Knight Frank	17 004 973 684	Energy Efficient Office Buildings (EEOB) Funding Agreement Tackelly No. 6 Pty Ltd	144,250.00
Catholiccare Sandhurst	71 789 820 442	Smarter Resources Smarter Business – Catholiccare Sandhurst Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	4,228.75
Hanex Investments Limited	24 094 375 489	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	27,545.00
Ryrie Centre Property Pty Ltd	96 084 646 282	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	75,427.00
Knight Frank	17 004 973 684	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	136,500.00
Knight Frank – (C/Pk & Rent)	17 004 973 684	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	5,000.00
Knight Frank	17 004 973 684	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement	135,762.44
Water Planet Pty Ltd	72 287 620 359	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement 123 Lonsdale St Water Planet	9,000.00
Ps440643 A Body Corporate 167 Queen Street	11 070 163 273	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement 167 Queen Street	61,449.00
Aqua Greenland Pty Ltd	47 682 075 683	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement 310 King Street	140,005.00
Kuehne Real Estate Australia Pty Ltd	48 600 156 947	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement 484 St Kilda Rd	142,500.00
Trend Well Investments Limited	38 139 075 764	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement GHD Trend Well Investments Energy Efficient Office Buildings Program 990 Whitehorse Rd	31,753.50
SDA National Office	99 789 302 470	Smarter Resources Smarter Business – Energy Efficient Office Buildings (SRSB EEOB) Funding Agreement: 53 Queen Street Energy Efficiency Upgrade	144,080.00
Langford Arch P/L	70 502 734 070	SRSB EEOB Funding Agreement – Langford Arch	80,836.50
Australian Wool Testing Authority Ltd	43 006 014 106	SRSB EEOB039 Funding Agreement AWTA	36,006.50
Bank Mecu	21 087 651 607	SRSB EEOB057 Funding Agreement Bank MECU	67,260.00
Citic House Pty Ltd	46 006 924 278	SRSB EEOB062 Funding Agreement Citic House	139,650.00

Organisation	ABN / ACN	Description	Payment \$
Social Value From Waste Grants Program			
Community Axis Enterprise Inc	48 208 409 903	Axis Worx – E-waste Processing Facility Stage Two	5,000.00
Bairnsdale Recycling Enterprise Inc	64 270 990 311	Bairnsdale Tipshop – Doubling our waste recovery and upcycling	8,850.00
Ballarat Regional Industries Inc	79 684 755 755	BRI – Expansion of Plastic Recycling Business	22,500.00
Fareshare	89 304 710 474	FareShare – Beyond One Million Meals – Cooking Surplus Food into Supper	3,790.00
Ozharvest Limited	33 107 782 196	OzHarvest – Victorian Food Rescue Expansion	2,000.00
Radius Disability Services	72 120 046 095	Radius Environmental Services – E-waste Recycling Facility Implementation	4,185.00
Secondbite	66 116 251 613	SecondBite Fresh Food Rescue and Redistribution	1,921.00
B2c Recyclers	51 299 267 395	WERX Foundation – B2C Community IT Recyclers	2,730.00
SRSB Building Business Capability Grants Program			
Restaurant & Catering Australia	73 080 269 905	SRSB: Food waste avoidance demonstration project	25,000.00
SRSB Capital Funding Grants Program			
Ferristex Pty Ltd T/A Abmt Textiles	20 103 170 716	Ferristex Pty Ltd – Semi-Automation of a Membrane System to Recover Salt	18,000.00
SRSB Capital Grants Program			
Afcol Australia Limited	18 276 247 981	AFCOL Australia Ltd – High Efficiency, Over Pressure, Retort for Abalone Cooking and Sterilisation	3,500.00
Centre State Asphaltting Pty Ltd	60 100 979 548	Centre State Asphaltting Pty Ltd – Asphalt Waste Recycling Unit	20,000.00
Showerline Industries	97 055 382 379	Gracro Industries Pty Ltd – Shower Injection Machine and Transfer Pumps	5,000.00
Heslop Contract Casters Pty Ltd	47 116 308 233	Heslop Contract Casters Pty Ltd – Waste Reduction and Maximising Yield for Commercial Competitive Production of HPDC Magnesium veterinary capsules	20,000.00
La Madre Bakery	29 682 077 994	La Madre Bakery – Dough Cutting Production System	1,495.00
Big Fella Cherries	24 228 630 501	M.J Rhodes and PJ Rafferty – Increasing the Productivity of a Cherry Orchard Using Rain Cover System	20,000.00
Plaster Profiles	93 909 236 653	Plaster Profiles Architectural Mouldings Pty Ltd the trustee for Croydon Plaster Mouldings Family Trust – Plaster Profiles: Improving Materials Efficiency	5,000.00
Tahbilk Pty Ltd	98 004 194 790	Tahbilk Pty Ltd – Tahbilk Refrigeration Plant Improvement	3,100.00
Vincent Painting Pty Ltd	44 095 896 781	Vincent Painting Contractors Pty Ltd – Investing in a Material Efficient Abrasive Blast Room Facility	10,000.00
Wandin Valley Farms	36 237 411 624	Wandin Valley Farms – Rain Cover Project	5,000.00
Welvic Australia Pty Ltd	47 121 792 818	Welvic – Holistic Materials Efficiency	15,500.00
Stefano's Mildura Brewery Pty Tld	48 505 290 374	Stefano's Mildura Brewery – Energy efficiency improvements to steam and refrigeration systems	7,500.00

Organisation	ABN / ACN	Description	Payment \$
SRSB Resource Assessments Grants Program			
Melba Support Services	39 848 842 276	Resource Assessment – Energy, Melba Support	3,370.00
Southern Cross Recycling Group Pty Ltd	60 152 667 215	Resource Assessment – Materials, Southern Cross Recycling	8,000.00
Wilson & Bradley Pty Ltd	40 211 980 801	Resource Assessment – Energy, Wilson and Bradley	1,825.00
Af Gason Pty Ltd	31 004 667 556	Resource Assessment – Energy, AF Gason Pty Ltd	3,000.00
Delre National Food Group Pty Ltd	15 820 174 858	Resource Assessment – Energy, Del Re National Food Group Pty Ltd	2,200.00
Foamex Victoria Pty Limited	72 006 535 520	Resource Assessment – Energy, Foamex Victoria Pty Ltd	8,000.00
Goldacres	30 061 306 732	Resource Assessment – Energy, Goldacres	5,277.27
Kyabram Cold Storage Pty Ltd	81 798 714 724	Resource Assessment – Energy, Kyabram Cold Storage Pty Ltd	7,500.00
The Leveson	44 367 876 330	Resource Assessment – Energy, Leveson	6,000.00
Owners Corporation 611333q 1	87 080 089 052	Resource Assessment – Energy, PS611333 (Saltwater Coast Lifestyle Centre)	2,160.00
Salwater Coast Estate	87 080 089 052	Resource Assessment – Energy, PS611333 (Saltwater Coast Lifestyle Centre)	540.00
Salwater Coast Estate Ps611333	87 080 089 052	Resource Assessment – Energy, PS611333 (Saltwater Coast Lifestyle Centre)	1,790.00
Skillinvest	18 092 943 318	Resource Assessment – Energy, Skillinvest	1,600.00
South Pacific Laundry	87 096 726 760	Resource Assessment – Energy, South Pacific Laundry (Melbourne) Pty Ltd	2,000.00
Stanlake Properties Pty Ltd	93 048 437 594	Resource Assessment – Energy, Western Private Hospital	8,000.00
Alberton Timber & Treatment Plant P/L	79 102 382 089	Resource Assessment – Material and Energy, Alberton Timber and Treatment Plant	5,784.00
Merino & Jumbuck Company (Australia) Pty Ltd	24 877 515 728	Resource Assessment – Materials, Merino and Jumbuck	6,566.00
Zilzie Wines P/L	94 083 139 824	Resource Assessment – material, Zilzie Wines	9,000.00
SRSB: Building Business Capability Grants Program			
Cultivate Agribusiness Central Highlands	84 203 885 345	Smarter Resources, Smarter Business: Smarter Resources, Smarter Central Highlands Agribusiness	9,670.00
Timber Recycling Fund Grants Program			
Green Care Mulching Pty Ltd	74 136 763 301	Timber Recycling fund – RPN Holdings and Southridge Pty Ltd	42,000.00
City Circle Recycling Pty Ltd	62 088 608 833	Waste Timber Resource Recovery Project	25,000.00

Appendix 5

Risk attestation



Level 28
Urban Workshop
50 Lonsdale Street
Melbourne VIC 3000

sustainability.vic.gov.au
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ABN 62 019 854 067

Risk Attestation

I, Heather Campbell, 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.

Heather Campbell
Chair
Sustainability Victoria

Melbourne
25 August 2016



Appendix 6

Global Reporting Initiative Index

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section page
Strategy and analysis				
Introductory statement	G4 - 1	Full		CEO's foreword, page 1
Organisational profile				
Name of the Organisation	G4 - 3	Full		
Primary products and services	G4 - 4	Full	Our vision, values, purpose, strategic plan and stakeholders	About Sustainability Victoria, pages 2-3, 6-7 Our Performance pages 4-5, 8-33
Location	G4 - 5	Full	Melbourne, Victoria	
Countries of operation	G4 - 6	Full	Australia	
Nature of ownership and legal form	G4 - 7	Full		About Sustainability Victoria, pages 2-3, 6-7
Markets served	G4 - 8	Full		About Sustainability Victoria, pages 2-3, 6-7
Scale of the organisation	G4 - 9	Full		Our Performance, pages 4-5, 8-33 Workforce, pages 45-48 Summary of financial performance, pages 35-36
Workforce	G4 - 10	Full		Workforce, pages 45-48
Employees covered by collective bargaining	G4 - 11	Full		Workforce, pages 45-48
Organisational supply chain	G4 - 12	Full		Governance: Our procurement and supply chain, page 42
Changes in organisational size, structure, ownership or supply chain	G4 - 13	Full		Governance, pages 37-44, Annual financial statements, pages 55-57
Precautionary approach or principle	G4 - 14	Full		Governance: Our risk management approach, page 43
Externally developed economic, environmental and social charters, principles and initiatives the organisation subscribes or endorses	G4 - 15	Full		Governance: Partnerships and Charters, page 42

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section page
Organisational Memberships	G4 - 16	Full	A list of SV's organisational memberships is available at www.sustainability.vic.gov.au/memberships	
Identified material aspects and boundaries				
Organisational entities	G4 - 17	Full		Annual financial statements, pages 55–57 Notes to the financial statements, pages 58–86
Report content	G4 - 18	Full		Governance: Our reporting approach, page 44
Identified Material Aspects	G4 - 19	Full		Governance: Our reporting approach, page 44
Aspect Boundaries within the organisation	G4 - 20	Full		Governance: Our reporting approach, page 44
Aspect Boundaries outside the organisation	G4 - 21	Full		Governance: Our reporting approach, page 44
Restatements of information provided in previous reports	G4 - 22	Full	There has been no previous GRI compliant reporting	N/A
Significant changes from previous reporting in the Scope and Aspect Boundaries	G4 - 23	Full	There has been no previous GRI compliant reporting	N/A
Stakeholder engagement				
Stakeholder groups engaged by the organisation	G4 - 24	Full		Our performance, pages 4–5, 8–33
Basis for identification and selection of stakeholders	G4 - 25	Full		About Sustainability Victoria, pages 2–3, 6–7
Approach to stakeholder's engagement	G4 - 26	Full		Governance: Our engagement approach, page 44
Key topics and concerns raised by stakeholders	G4 - 27	Full		Governance: Our engagement approach, page 44
Report profile				
Reporting period	G4 - 28	Full	Financial year 2015–16	
Date of most recent report	G4 - 29	Full	There has been no previous GRI compliant reporting	
Reporting cycle	G4 - 30	Full	Annual	
Contact point for questions	G4 - 31	Full		Page ii
Reporting option chosen	G4 - 32	Full	Standard	

GRI standard disclosure	GRI reference	Level of reporting	Comment	Report section page
External assurance	G4 - 33	Full	SV did not seek external assurance for this report.	
Governance				
Governance structure	G4 - 34	Full		Governance, pages 37–44
Ethics and integrity				
Values, principles, standards and norms	G4 - 56	Full		Workforce: Employment and conduct principles, page 47
GRI Specific disclosures				
Environment				
Energy				
	G4-DMA	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99
Energy consumption within the organisation	G4-EN3	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99
Emissions				
	G4-DMA	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99
Direct greenhouse gas emissions	G4-EN15	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99
Waste				
	G4-DMA	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99
Total weight of waste by type and disposal method	G4-EN23	Full		Our Performance, pages 4–5, 8–33 Our office based environmental performance and greenhouse gas inventory statement, pages 94–99

Appendix 7

Glossary of acronyms

Acronym	Description
AD	Anaerobic Digestion
BWA	BehaviourWorks Australia
COP21	Paris Conference of Parties
CSIRO	Commonwealth Science and Industrial Research Organisation
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
E3	Equipment Energy Efficiency Program
HCC	Household Chemical Collection Program
HVAC	Heating, Ventilation, Air Conditioning and Cooling Systems
NSW OEH	New South Wales Office of Environment and Heritage
OCI	Organisational Culture Index
RSS	ResourceSmart Schools
SVen	SV Enabled
TSA	Tyre Stewardship Australia
VLAA	Victorian Litter Action Alliance
VEET	Victorian Energy Efficiency Target



Leadership on Climate Change