

Sustainability Victoria Annual Report

2017–18



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About Sustainability Victoria

Responsible Body Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Sustainability Victoria's Annual Report for the year ending 30 June 2018.

A handwritten signature in black ink, reading "Heather J. Campbell". The signature is written in a cursive, flowing style.

Heather Campbell

Chair
Sustainability Victoria

20 September 2018

Our Vision

Sustainability Victoria (SV) is a Victorian Government statutory authority established under the *Sustainability Victoria Act 2005*. We want everyone to enjoy a healthy environment and quality of life now, tomorrow and always. Our vision is for a sustainable and thriving Victoria.

The responsible Minister during the 2017–18 reporting period was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

Purpose and functions

SV delivers programs based on strong research and engagement that are designed to turn the Victorian Government's strategic commitments into practical outcomes. We continue to help the Victorian community through advice, guidance, recognition and promotion and facilitating investment in infrastructure.

We work closely with the Department of Environment, Land, Water and Planning (DELWP) and work in collaboration with the Environment Protection Authority, the Victorian Department of Treasury and Finance, Department of Premier and Cabinet, the Department of Education and Training, the Department of Health and Human Services, the Department of Economic Development, Jobs, Transport and Resources, Waste and Resource Recovery Groups and many other Victorian and State organisations.

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

Victoria is an amazing place to live. It's up to all of us to help shape the state of the future.



Foreword from the Chair and CEO

Throughout the year, SV helped Victorians act on climate change and use resources wisely. There has been a momentous shift in public discussion about the sustainability of our state and the part we all play in creating the Victoria of the future. The global pressure to act on climate change and implement the 2015 Paris Agreement has spurred an increased demand for renewable energy and a desire for governments and industry to lead the way. In January 2018, China increased its quality standards for incoming recyclable materials, which had an immediate impact on the Victorian recycling industry.

The Victorian Government has been working closely with waste and recycling industry peak bodies and local government to respond to the situation and recently launched its Recycling Industry Strategic Plan which includes a commitment to develop a circular economy policy, build resilience in the recycling sector and include significant funding for SV to improve infrastructure and use government procurement to grow market demand.

Over the past year, Sustainability Victoria has delivered innovative programs that encouraged this market transformation. In 2017-18 we:

- ▶ Funded almost \$12 million to support the expansion and improvement of Victoria's waste and resource recovery infrastructure, leveraging almost \$76 million in private investment
- ▶ Supported the recycling industry to respond to China's changed import standards through the Recycling Industry & Transition Support Package
- ▶ Laid the ground work for a \$15 million investment in infrastructure upgrades as part of a network to safely collect and store Victoria's e-waste and an awareness campaign to prepare for the ban on e-waste going to landfill from July 2019
- ▶ Served 3,710 households attending 29 Detox Your Home mobile events across metropolitan Melbourne and regional Victoria with 819 tonnes of hazardous household products collected and safely disposed.

This year, we also helped Victorians to save money by using less resources and reducing emissions. In 2017-18 we:

- ▶ Helped 109 businesses to undertake energy assessments which identified on average energy savings of more than \$84,000 per annum.
- ▶ Saved \$790,000 in energy bill savings and 2,163 tonnes of CO₂-equivalent savings by supporting the design of houses that exceed the minimum 6-star standard.
- ▶ Expanded our ResourceSmart Schools program expanded to 636 schools, reaching an estimated 200,000 students. The participating schools saved close to \$4 million through reducing energy and water use and minimising waste.

We also supported communities to provide renewable energy and energy efficient housing to Victorians. While climate change impacts us all, it will be experienced more acutely by Victoria's vulnerable households, where affordability and health are high priorities. In 2017-18 we:

- ▶ Launched the Latrobe Valley home energy upgrade program providing 1000 low income households with free renewable energy and energy efficiency improvements.
- ▶ Launched an Australian first, health research study to assess the health benefits of improved thermal comfort and energy efficiency in 1000 low income homes
- ▶ Launched a community power hubs program with three regional cities to finance and build community-led renewable energy
- ▶ Awarded \$523,166 of funding to 4 social enterprises to increase their resource efficiency capacity and skills

We continued to build momentum in our TAKE2 climate pledge program, the first state government-led voluntary climate change pledging initiative in the world. The collective footprint of the 12,130 Victorian households, businesses, government, educational and community organisations who have pledged represents 21 per cent of Victoria's emissions.

Our innovative projects have been included in key government strategies, including the Victorian Social Enterprise Strategy and Social Procurement Framework.

We are committed to expanding our impact and commissioned an independent assessment of our programs. Our key programs since 2012 generated \$248.4 million in value to the Victorian community for a \$28.6 million investment.

Our passionate staff are dedicated to finding new ways to work with Victorians and improve sustainability where we live, work and do business. We thank them for an incredible year of delivery toward that goal.

It is with pleasure that we proudly present this Annual Report 2017-18 as the official record of a year of significant delivery against our SV2020 strategy and achievement for sustainability in Victoria.



Heather Campbell
Chair
Sustainability Victoria



Stan Krpan
Chief Executive Officer
Sustainability Victoria



Year in Review

Our vision for a sustainable and thriving Victoria is captured in our five-year SV2020 strategic plan. We are now three years into that plan as we continue to build on our two priorities – helping Victorians act on climate change and to use resources wisely. In 2017-18, we worked with households, schools and business to save energy on their annual energy bills, we helped Victorian communities recognise climate change as a significant issue, worked towards achieving our greenhouse gas abatements and helped Victoria's vulnerable households reduce their energy bills through sustainable home upgrades. On the resources front, we increased the capacity of the recycling sector, helped local government divert organic material from landfill and helped increase Victoria's resource recovery rate. We did this by working with a broad range of stakeholders and partners to embed sustainability where Victorians live, work and do business.

Priority One: Help Victorians act on Climate Change

During 2017-18 we helped communities, businesses, households and schools continue to drive Victoria's transition towards the State's target of net zero greenhouse gas emissions by 2050.

Partnering with local communities

We launched two key programs, Community Power Hubs and Local Government Energy Saver, to support regional communities to reduce their emissions through renewable energy and increased energy efficiency.

The pilot Community Power Hub program supports innovative, community-led renewable energy projects within regional Victoria. Three power hubs in Bendigo, Ballarat and the Latrobe Valley participated in the program, leveraging SV funding, local investment and capital raising as start-up funding for the administration and coordination of local energy projects, as well as providing access to legal and technical advice. In the first year, the hubs supported:

- ▶ four renewable energy projects that include a solar PV and Hot Water Bulk Buy for Latrobe Valley residents;
- ▶ two 30 kilowatt 'behind the meter' donation solar PV systems in Bendigo; and
- ▶ the installation of a 15 kilowatt solar PV system at the Ballan Community Centre.

The power hubs contribute towards delivering on the Victorian Renewable Energy Target of 40 per cent renewable energy generation by 2025 and reduces the State's greenhouse gas emissions. These projects are part of our modern energy future.

Our Local Government Energy Saver program aims to support 22 regional and rural councils over four years by identifying opportunities to reduce energy consumption and operating costs for their buildings and facilities, such as offices, community halls and leisure facilities, libraries, health care centres, galleries and kindergartens. In 2017-18 the Local Government Energy Saver Program supported:

- ▶ 15 local councils to complete their corporate emission profiles and develop subsequent action plans for reduction.
- ▶ 9 Councils to undertake energy audits to be completed at 68 council owned facilities
- ▶ 2 councils to undertake energy efficiency upgrades on five facilities that is expected to deliver annual savings of \$8,617 and 43.5 tonnes of carbon dioxide equivalent (tCO₂-e)

Supporting Victorian businesses

In its second year, our Boosting Business Productivity program continued to support Victorian businesses to cut their energy costs, reduce greenhouse gas emissions and improve productivity. SV worked directly with 511 businesses, supporting 109 of those businesses with energy assessments that identified 490 savings opportunities. Across the spectrum of large and small businesses participating in the energy assessments identified savings of more than \$84,000p.a. on average. The four main sectors to undertake energy assessments were manufacturing, agriculture, food and accommodation services.

We launched Gas Efficiency Grants in October 2017 for businesses to invest in upgrading gas-using equipment. \$889,225 in Gas Efficiency Grant funding for 20 businesses leveraged \$3.695 million in private sector investment. When completed, the gas efficiency upgrades are expected to save participating businesses a total of \$859,000 per year and 3,632 tCO₂-e emissions per year.

We also engaged more than 135 businesses providing structured education programs, direct mentoring opportunities and relationships with capability-building organisations, in order to improve their knowledge and skills in energy efficiency. These businesses included the Australian Industry Group, Australian Refrigeration Association, Bayside City Council, Melbourne Polytechnic, Energy Skills Australia, Nillumbik Shire Council and the Vegetable Growers Association of Victoria Inc.

Through our Better Commercial Buildings program, we supported Victorian businesses to improve the energy efficiency of their premises, targeting one-star average increase under the National Australian Built Environment Rating System (NABERS). In 2017-18, we engaged over 210 building owners, facility managers and service providers to discuss energy efficiency upgrades. We received 29 applications for funding and awarded 23 building grants that will drive improvements in energy efficiency. These include grants to several regional motels, city office buildings, retail centres and hotels. The buildings will undergo range of improvements - all delivering an average increase of one NABERS star. Interest so far in the program indicates we are likely to be over-subscribed. Data from these audits and upgrades will be used to inform the potential reduction in GHG emissions in the commercial building sector.

Our Social Impact Investment for Sustainability Fund provides funding through a combination of grant and low interest loans, allowing repaid funds to be reinvested back into the program to support other social enterprises. The program provided financial assistance to four social enterprises to improve environmental outcomes while ensuring a social benefit. Western District Employment Agency (WDEA) used the funding to upgrade their existing e-waste recycling facility, expanding their current operations and providing employment for 10 additional employees and diverting more e-waste from landfill. WDEA is a not-for-profit organisation which provides employment opportunities for people living with disability and disadvantage. Nightingale Housing, a not-for-profit social enterprise that advocates 100 per cent on renewable energy in homes, used our funding to commission a software system that encourages property developers to consider ecological design principles.

SV continues to support the Environmental Upgrade Finance (EUF) scheme to finance energy efficiency and renewable energy projects for business. Better Building Finance is a collaborative program with the Sustainable Melbourne Fund that provides information to businesses, local governments and Victorian State Government entities. Since 2011, 22 local governments have established EUF programs within their communities and have financed \$24 million of projects through EUF loans across 42 businesses. In 2017-18 21 EUF projects were established, totalling \$9.76 million investment in energy efficiency and renewable energy building upgrades.

Helping households

We aim to make Victorian homes healthier and more efficient, supporting households with low incomes, disadvantage or vulnerability to upgrade their homes, improving health whilst reducing energy hardship.

As part of the Home Energy Assist package, our Victorian Healthy Homes program began upgrading the homes of 1,000 chronically ill Victorians on low incomes to reduce energy costs and improve comfort through draught sealing, ceiling insulation, and installing upgrading or servicing heaters. Healthy Homes is an Australian-first health research study, in partnership with University of Technology Sydney, to assess the link between energy efficiency, improved thermal comfort and the health benefits. This research, approved by the Department of Health and Human Services research ethics committee, builds the evidence base for the health and financial benefits of energy efficient living, while reducing living costs. The home upgrades are being delivered by the Moreland Energy Foundation Limited and have the potential to influence the design of similar programs across different jurisdictions.

Much of the year has been dedicated to engaging Moreland Energy Foundation Limited and the University of Technology Sydney, finalising the program design and completing a robust due diligence process to ensure the safety of participating households and service providers. Learning from past programs, this process included commissioning a highly rigorous, independent peer review of contractors' OH&S management policies and procedures. Over 100 households signed up for the first phase, and 35 home energy efficiency upgrades were completed in 2017-18. Early analysis of the household survey data shows that people taking part in the Healthy Homes study:

- › have relatively low household incomes
- › own their house (especially when over 75)
- › thought their house was too cold during winter.

Over 800 Latrobe Valley residents have registered their interest to receive free renewable energy and energy efficiency upgrades through our Latrobe Valley Home Energy Upgrade program. This program will help up to 1,000 low income households on low incomes make practical energy efficiency upgrades to their homes in the Latrobe City, Wellington and Baw Baw municipalities. Upgrade packages, worth up to \$4,500, can include solar PV, insulation, draught proofing, window shades, lighting, fixed heating and other appliances. As well as reducing energy bills for local households, the program is boosting jobs in the region by engaging local businesses to deliver energy efficiency assessments and provide the upgrades using local products and services.

The Zero Net Carbon Homes pilot program has initiated three partnerships between Sustainability Victoria and land developers and volume home builders to support the design, marketing and construction of zero net carbon homes that will be sold and marketed in Melbourne's growth areas. The pilot program aims to make zero net carbon homes available to more Victorians and create greater awareness among home buyers that these homes will be cheaper to run, more environmentally friendly and more comfortable. Our comprehensive market research helped identify the barriers and drivers to the uptake of Zero Net Carbon homes as well as helped to inform the design of the program.

Case Study: FirstRate5

The FirstRate5 house energy rating system has underpinned minimum star rating in Victoria for over 10 years. Looking over the last three years the cumulative impact of designing houses that exceed the average House Energy Rating is significant. Since 2015-16 we estimate it has saved an extra \$1,920,000 in annual energy bills and 5,274 tCO₂-e of annual greenhouse gas emissions.

	2015-16	2016-17	2017-18	Cumulative impact
No. of dwellings rated using FR5 in Victoria	39,272	57,567	62,422	159,261
No. of dwellings above average star rating (6.2 stars)	11,904	19,123	21,478	52,505
Total annual bill saving (\$M/yr)	\$0.43	\$0.71	\$0.79	\$1.92
Total annual GHG saving (tCO ₂ -e/yr)	1,165	1,945	2,163	5,274

Approximately 65,000 new dwellings are built in Victoria each year, with almost 90% calculating and verifying their 6-star mandatory energy rating using our FirstRate5 software program. FirstRate5 was also used to rate over 9,000 renovations. In 2017-18 we responded to customer feedback and introduced significant new functionality improvements to the software program, including new tools to improve the speed and accuracy of FirstRate5 energy ratings. The sale of FirstRate5 regulatory compliance certificates continued to grow steadily, with certificates sales up 9% compared to the previous financial year.

FirstRate5 allows assessors to design, validate and recommend cost efficient house designs that exceed the minimum 6-star rating. This results in significant, ongoing energy and financial savings for householders and substantial greenhouse gas emission reductions. Out of the 60,000 plus dwelling designs assessed using FirstRate5 in 2017-18 over 20,000 exceeded the average star ratings (6.17 stars for houses and 6.62 stars for apartments). These improved dwellings saved an estimated \$790,000 in energy bills, due to reduced heating and cooling requirements, and 2,163 tonnes of greenhouse gas emissions annually, compared to dwellings which achieved only the average rating. Over the life of these houses we estimate that Victorian households will save in excess of \$42.4 million (or \$11.5 million at a 7% p.a discount rate) and reduce residential sector greenhouse gas emissions by 62,100 tCO₂-. By continuing to improve the FR5 software features we will continue to enable more assessors to design houses that exceed the minimum 6-star standard, improving the quality of the houses built in Victoria.

We represented Victoria on the committee that oversees Australia's Equipment Energy Efficiency (E3) Program. This program drives improvements to the efficiency of new appliances and equipment sold, by requiring minimum energy performance standards (MEPS) and Energy Labelling for a range of energy-using products. In 2017-18, the work of this committee led to the Council of Australian Government's (COAG's) Energy Council Decisions to make MEPS requirements more stringent for both residential and commercial refrigeration equipment, to phase-out the use of most types of halogen light globes, and to introduce MEPS requirements for LED lamps in the early 2020s. Significant progress was made on more stringent requirements for air conditioners, and on new MEPS and labelling regulations for swimming pool pumps. It is estimated that in Victoria, in 2017-18, the E3 Program reduced consumer energy bills by \$310 million, and greenhouse gas emissions by 1.6 tCO₂-e.

As part of our E3 work, we continued to manage a project that aims to introduce MEPS for "fan-units" (a motor and fan combination) used in a wide range of ventilation and blowing applications. The consultation process for a Regulation Impact Statement (RIS) was completed, and a Technical Working Group, comprised of key industry stakeholders, was formed to identify and work through key issues to prepare the COAG Energy Council for a decision on whether to implement new mandatory efficiency requirements for fan units.

Schools action

ResourceSmart Schools builds the capability of Victorian schools to minimise waste, save energy and water, promote biodiversity and reduce greenhouse gas emissions. From January to December 2017, over 600 schools with an estimated student population of 200,000 students

saved 6,636,498 kWh of electricity

saved 30,720 GJ of gas

saved 9,740 tonnes CO₂e

saved 194,646 kilolitres of water

saved schools \$1,284,082 through waste reduction

planted 36,522 plants.

This year, we launched the ResourceSmart Schools Energy Champions challenge, where primary and secondary schools across Victoria were encouraged to reduce their school's energy usage and impact on the environment. Through the 12-month challenge, schools will save money on their energy bills and will have the chance to win up to \$5,000 for their school. At the end of the challenge, 16 participating schools will be awarded \$1,000 and two schools will be awarded \$5,000 to be used for sustainability initiatives.

We also worked with our stakeholders to make it easier for schools and students to take practical sustainability actions. Our online platform, ResourceSmart Schools online was updated. Knowing that school teachers and administrators are already very busy, we have streamlined processes and refreshed the accreditation requirements, leaving them with more time to spend making sustainable changes for the future.

In October 2017, the ResourceSmart School Awards celebrated its tenth anniversary. The awards focused on the theme 'a decade of school wins for the environment'. We manage these Awards as part of the ResourceSmart Schools program to help schools embed sustainability into everything they do, and acknowledge the steps schools are taking to waste, save energy and water, and reduce greenhouse gas emissions. Aspendale's St Louis de Montfort's Primary School was named School of the Decade for its comprehensive work to build a better environment.

Case study: School of the Decade

St Louis de Montfort's Primary is a 5-star ResourceSmart School that has embedded sustainability into its school culture. Highlights of St Louis de Montfort's Primary sustainability efforts include:

- › a kitchen made from converted shipping containers including a wood-fired pizza oven
- › an amphitheater including re-used tyres and sleepers in its construction
- › solar panels with a battery system were installed in 2016
- › an orchard and garden beds, aquaponics ponds and garden beds, a permaculture area, composting, rabbits, birds, chickens, wetlands and reptile enclosures.
- › student waste and energy warriors lead the reduction of waste and energy in each class
- › the 'Sustainabux' program has boosted the adoption of environmentally-friendly action by rewarding individuals and classes. Sustainabux can be collected and redeemed for prizes including movie afternoons
- › involvement in the Friends of Aspendale Station group
- › other schools visit and take part in workshops to learn from St Louis de Montfort's experience



Together we can do more

We are committed to helping Victorians reduce their emissions and take concrete steps toward greater resilience to the impacts of climate change while contributing to Victoria's target of net zero greenhouse gas emissions by 2050.

TAKE2 is Victoria's collective climate change pledge initiative and since 2016 it has received 12,130 pledges from Victorian households, businesses, government, educational and community organisations wanting to take action on climate change. TAKE2 membership now represents:

- › 11,150 Victorian individuals;
- › 44 local governments representing more than 76% of Victoria's population;
- › 626 businesses employing more than 380,000 people across Australia servicing more than 16.5 million customers; and
- › 186 community organisations with more than 187,000 members.

The combined annual turnover of all TAKE2 members represents almost \$270 billion across Australia. Independent analysis identified that TAKE2 pledgers together account for significant emissions of 24 MtCO₂-e directly, or 20% of Victoria's total emissions, with the potential to influence more than twice that through their networks.

We shared 39 case studies on TAKE2 member activities through our website and held seven round tables to support business engagement and networking. 236 additional businesses signed up to TAKE2 including 42 large businesses such as Carlton and United Breweries, Melbourne Airport, Kathmandu Australia, Crown Melbourne and BMW Group Australia. The TAKE2 network has pledged to over 104,000 actions to tackle climate change.

Priority Two: Help Victorians to use resources wisely

In a year that saw significant global market changes, we increased investment into Victoria's waste and resource recovery infrastructure to build the resilience of our waste industry across a number of fronts as we transition to a circular economy. As well as increasing the capacity of the recycling sector, we helped local government divert a significant amount of organic material from landfill and increased Victoria's resource recovery rate. As steward of a safe and integrated statewide waste and resource recovery system, our key role is to make sure that it continues to meet the changing needs of a growing state.

Investing in recycling infrastructure

In response to changes in global recycling markets, the Victorian Government announced a \$1 million support package to help Victoria's recycling industry adapt to changing market conditions. The Recycling Industry Transition Support Fund will help Victorian recycling businesses to fast-track upgrades to sorting and processing infrastructure that improves the quality of recovered paper, cardboard and plastics from Victorian households.

We continue to support local government and private enterprise to establish infrastructure which improves the collection and processing of recycled materials through the Resource Recovery Infrastructure Fund (RRIF). We funded 13 projects across Metropolitan Melbourne from Round One of the Resource Recovery Infrastructure Fund, totalling \$5 million. The projects are expected to divert approximately 350,000 tonnes per annum of materials and create 85 jobs. A total 13 projects were announced for Round Two of the Resource Recovery Infrastructure Fund for rural and regional Victoria. The projects were awarded a total of \$4.2 million and it is anticipated they will divert over 85,000 tonnes per annum of materials from landfill and create 50 jobs.

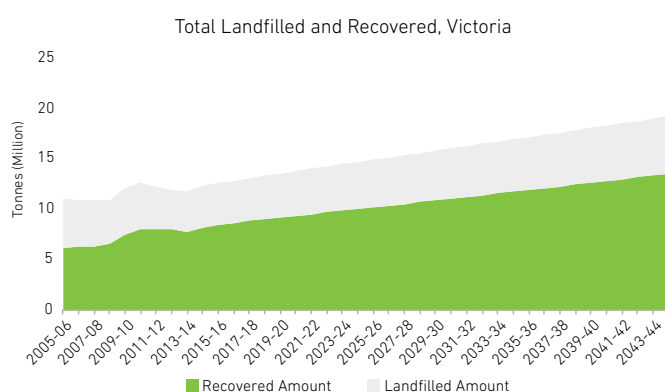
Through our Resource Recovery Infrastructure Fund Investment Support grants we also funded nine projects to address barriers to infrastructure investment that confront smaller operators lacking sufficient capital to finance a solution. This leveraged \$3 million in additional infrastructure investment in regional and metropolitan Victoria to install over 9,200 tonnes of new reprocessing capacity each year in the organics, plastics and e-waste streams, and generated 18 new jobs.

Our Investment Facilitation Service also engaged with 141 resource recovery project proponents and facilitated 16 proposals to investment close. This resulted in commitments to invest \$12 million to deliver 25,000 tonnes of new reprocessing capacity in Victoria for plastics, organics, paper, textiles, e-waste and tyres, and generate 45 new full-time jobs. In 2017-18, the service facilitated the commissioning of 8,800 tonnes per annum of new reprocessing capacity.

Waste not, want not

As Victoria's population and economy grows, so too will be amount of waste we generate. Victoria currently generates 13 million tonnes of waste material every year, 67% of which is diverted for recycling. If Victorians continue to generate waste at the same rate, based on increases in population alone, total waste generation will increase by 31% by 2041-42 and network of infrastructure will be required to manage increasing amounts of waste and materials.

This means Victoria's waste sector will have to manage an additional 6 million tonnes per annum, roughly equivalent to Victoria's entire current annual recycling capacity. Our state will need to at least double its current recycling capacity in order to meet the minimum projected demand. Victoria will need to increase its recycling capacity by about four million tonnes per year if we are to maintain the current resource recovery rate of 67%. Materials going to landfill will have significant long-term effects on the environment and communities if our waste and resource recovery systems are not managed properly.



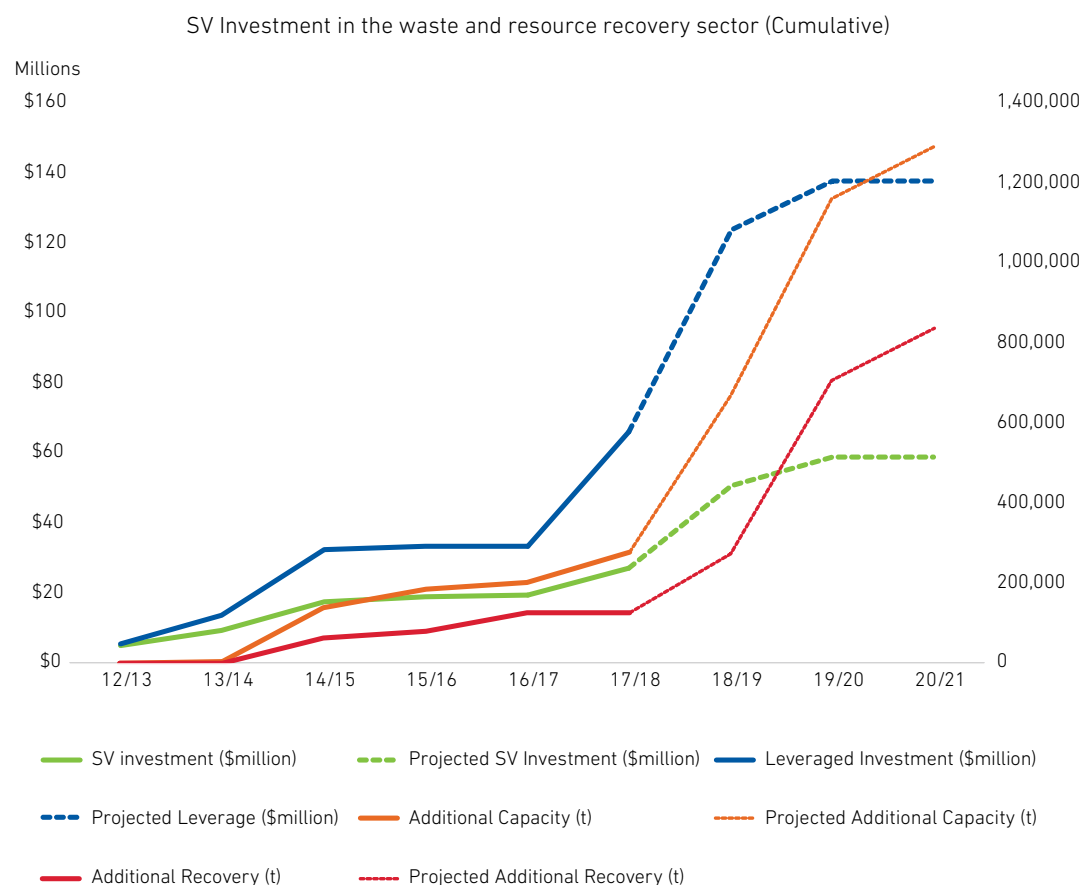
To support Victoria's growing waste management needs, over the next four years our programs will invest nearly \$40 million and potentially leverage additional investment of \$100 million to support Victoria's transition to a circular economy.

By 2020, this investment is projected to:

- directly increase Victoria's resource recovery rate by at least 2% and will have influenced an additional 2% through our work
- increase diversion from landfill by approximately 450,000 tonnes per year
- add an additional 600,000 tonnes of processing capacity to the recycling sector, and
- help local government divert 120,000 tonnes of organic material from landfill.

In 2017-18 we funded almost \$12 million to support the expansion and improvement of Victoria's waste and resource recovery infrastructure, leveraging almost \$76 million in private investment.

Program	Grant value	Investment leveraged
RRIF - Infrastructure Grants Round 1	\$5,055,100	\$17,207,372
RRIF - Infrastructure Grants Round 2	\$4,235,446	\$43,173,508
RRIF - Investment Support Grants	\$315,245	\$3,220,622
Waste to Energy Infrastructure Fund	\$2,095,059	\$12,390,647
	\$11,700,850	\$75,992,149



Driving market development for a circular economy

The linear model of taking raw material, making products, using and disposing of them has, over many years, been replaced by a circular model that recovers value from our waste and looks to develop new markets, uses and applications for these materials. The Victorian Government seeks to transition our economy toward this model and encourage associated economic, environmental and social benefits for all Victorians.

We announced a \$2.5 million program supporting market development for recovered resources at the launch of a road made from recycled materials with project partners Downer, Hume City Council, Close the Loop and Red Group. Every kilometre of road (two lanes) paved with plastic and glass modified asphalt will use approximately 530,000 recycled plastic bags, 170,000 recycled glass bottles, toner from 12,500 used printer cartridges, and 130 tonnes of reclaimed road (Reclaimed Asphalt Pavement).

To further establish new markets, our new Research, Development and Demonstration grants will help fund laboratory testing and field trials to support industry, state and local government projects to find new uses for recycled products that have the potential to use significant quantities of recovered resources.

We partnered with the Cities of Wyndham and Whittlesea to hold our first Sustainable Procurement Masterclass for local government, using the theme of 'When recycled rubber hits the road.' Over 50 representatives attended from across state and local government and industry. The session focused on how to increase the amount of recycled content like glass, concrete, rubber and plastics in road construction procurement. We outlined the challenges and opportunities in procurement and use of recycled content like glass, concrete, rubber and plastics while Victoria's Chief Engineer Dr Collette Burke, outlined her view on the future of infrastructure, increasing use and competitiveness of substituting recovered content in the context of resource scarcity.

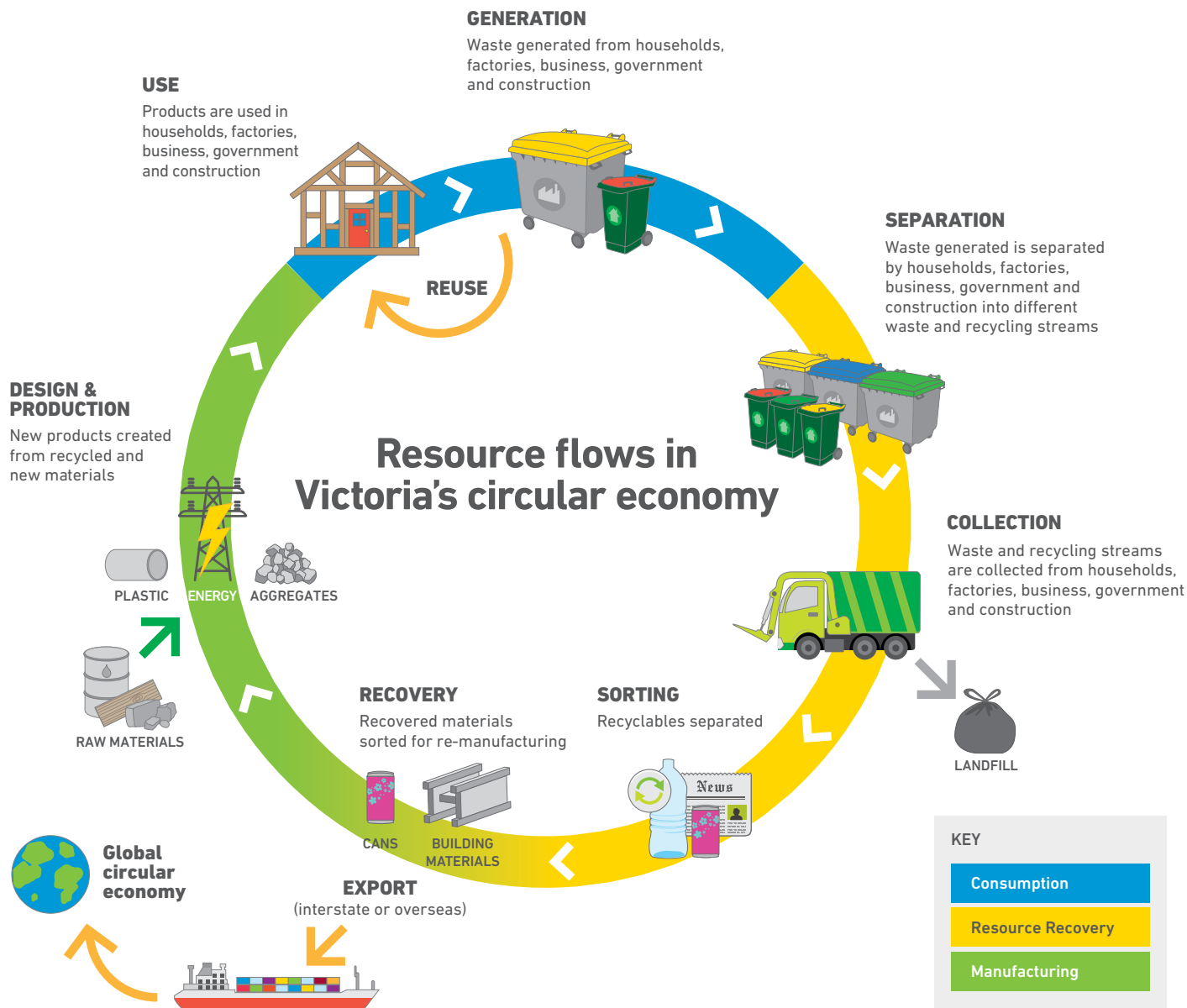
We supported the release of the National Market Development Strategy for Used Tyres, in partnership with the Queensland Government and Tyre Stewardship Australia. The strategy provides a five-year approach to drive new and expanded markets for domestic tyre-derived products. This year, increased interest in the use of tyre-derived products saw VicRoads adopt a target to double the amount of recycled tyre rubber it uses in roads construction and the Australian Asphalt Pavement Association (AAPA) adopt a new national specification for the use of Crumb Rubber Modified Asphalt. Both initiatives stem from SV's research and development work with VicRoads, Tyre Stewardship Australia, AAPA and the Australian Road Research Board (ARRB). We will continue to work with the roads sector to develop a cohesive approach for recycled content in construction activities.

In 2017, we led a multi-jurisdictional working group that included representation from all states and territories to develop a consistent national approach within the photovoltaic sector. PV systems will soon be a fast-growing part of the waste stream as the first generation of solar panels come to end of life. Our work includes investigating and progressing national stewardship options for PV systems and/or PV system components, with the next key milestone, a PV systems stewardship options assessment, set to be conducted in the first half of the 2018-19 financial year. This next critical step in the Victorian-led approach will provide a sound evidence base to identify a preferred product stewardship pathway for PV systems and/or PV system components in Australia.

Case Study: Downer

In June 2018, the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change launched the Resource Recovery Market Development fund in Craigieburn, where infrastructure company, Downer is trialling an asphalt mix containing recycled plastic bags, printer cartridges and glass in road surfacing. Downer and Close The Loop received just over \$100,000 from the fund for research and infrastructure to make it possible to include soft plastics into asphalt for roads. Downer estimates that up to 15 per cent of asphalt could contain soft plastics and that up to 10 million tonnes of recyclable waste could be diverted from landfill every year using their new approach. It was a great example of partnerships and collaboration between industry, local and state governments and a number of industry associations and NGOs. Although SV had been working on the market development and product stewardship for some time as part of the move to a circular economy, the changed global market conditions brought recycling and the fate of our waste and recycling into mainstream public consciousness. This project demonstrates how Victoria can take the lead to balance innovation and risk in a complex industry to make a real difference, now and into the future.





Removing e-waste from landfill

In 2017, the Victorian Government announced all that the e-waste landfill ban will commence from 1 July 2019. To support this, we undertook an assessment of the current Victorian E-waste Infrastructure Network (VECN) and identified sites for infrastructure upgrades.

Through consultation with the Waste & Resource Recovery Groups and Local Government we developed a proposed network of optimal e-waste collection sites. On 26 April 2018, the Government announced more than 130 e-waste collection sites will be upgraded across Victoria. The E-Waste Infrastructure Grants, valued at \$15 million, were opened to support infrastructure upgrades. When established, this large network of facilities will provide 98 per cent of Victorians across metropolitan with access to a collection point within 20 minutes, and 30 minutes in regional areas.

We also worked with Local Government to plan a new campaign on reducing e-waste to landfill to support the introduction of the e-waste landfill ban. More than 97 per cent of Victorian councils participated in the consultation process to help identify the tools councils need to deliver local communications on e-waste.

We supported the implementation of new e-waste infrastructure through grants. This includes supporting the establishment of Australia's first lithium-ion battery recovery facility at Envirostream in New Gisborne, and doubling throughput capacity at Dandenong-based Quantum Recycling.

Victoria's 30-year plan for waste

Our updated Statewide Waste and Resource Recovery Implementation Plan (SWRRIP) was gazetted on 5 April 2018. We worked with the seven Waste and Resource Recovery Groups, the EPA and DELWP to integrate the SWRRIP with the Regional Implementation Plans, policy and regulatory changes. The SWRRIP provides a 30-year plan for waste and resource recovery infrastructure, setting goals and strategic directions for Victoria and sets out the Government's actions. We published a Resource Recovery Technology Guide to complement the SWRRIP. Work has begun on hazardous waste inclusion in the next iteration of the SWRRIP.

In December 2017, we undertook the second annual SWRRIP survey to understand how well the SWRRIP supports the waste and resource recovery sector. The survey asked local government and reprocessors if they used the SWRRIP in the 2016-17 financial year to inform waste and resource recovery planning and decision making. Of the 100 responses, 66% reported that they had used the SWRRIP with 92% rating it as "useful".

In 2016-17, 74% of local governments and almost half of reprocessors (49%) agreed that the work of the Victorian Government is useful in relation to setting a clear, long term direction for WRR infrastructure and service planning. Our plans, guidance and data helped 60% of local governments to better plan for and manage waste and resource recovery infrastructure, but was less helpful to reprocessor respondents (28%).

In 2017-18, SV and our Portfolio partners focused greater resources towards the recycling industry and consequently we hope to see this survey response improve in the future.

Providing best practice guidance

In 2017-18 we released guidance to support councils, their communities and waste operators to increase the volume and quality of recycled materials collected by kerbside recycling services and resource recovery centres.

Our framework, Optimising Kerbside Collection Systems provides clear and consistent direction for local government for kerbside recycling service standards and performance outcomes. It provides leadership in this space and provides the industry with the opportunity to increase recycling, improve the quality of recycled materials and reduce contamination through a more consistent approach to how we recycle across the recycling supply chain. It is based on three approaches; households recycling the same core set of materials, consistent bin configurations, and consistent bin colours.

The Guide to Better Practice at Resource Recovery Centres supports continuous improvement by sharing knowledge and case studies of better practice infrastructure and management at resource recovery centres in Victoria. The Guide is supported by a series of fact sheets on commonly accepted materials such as batteries, organics and gas cylinders. Resource recovery centres (often known as transfer stations) perform an important service to local communities by providing a designated location to aggregate, sort and consolidate waste and recyclable materials. Where viable, RRCs divert these materials away from landfill, through either recycling or resource recovery.

We also worked with stakeholders to develop updated guidance to support improved waste management and recycling in multi-unit developments. The expanded document includes consideration of organics and will help developers make calculations on waste management needs, recycling and amenities while at the same time integrating these into building designs. We began formal consultation on the draft Guide in June 2018, with the to be released in late 2018.

Preventing litter

Incorrect disposal of waste has far reaching impacts on the community and local environment, as well placing the cost burden of correct disposal onto not-for-profit organisations. In 2017-18, we continued our leadership of the Victorian Litter Action Alliance (VLAA), hosting three meetings and successfully delivering the 2018 VLAA Business Plan and launching Dump-In-Data. Dump-In-Data supports land managers to collect, manage and share illegal dumping data, providing them with:

- ▶ Access to consolidated data to inform management of illegal dumping
- ▶ Visualisation of data to view hotspots and their movement over time and space
- ▶ A resource to evaluate illegal dumping programs and interventions
- ▶ Information to assist the improvement of existing or design of future initiatives.

Since its launch in February 2018, 21 land managers have signed up with 1,579 instances of illegal dumping activity reported.

Through our Litter Innovation Fund, we helped local government, businesses and community groups deliver 35 projects to address the effects of litter and illegal dumping within their communities. There have been 20 case studies developed to share learnings through the waste education knowledge bank.

The Litter and Illegal Dumping Grants program is helping seven Councils to support them to address the issues of litter in coastal areas and waterways, and illegal dumping, using a combination of education and engagement, infrastructure and enforcement activities.

Encouraging community behaviour change and education

Through the Improving Resource Recovery Grants Program, we helped local governments to design innovative behaviour change projects at a two-day co-design process attended by 80 people. Eight councils then received grants of up to \$8,500 to test projects in their local communities. Projects included encouraging children in Wyndham to become recycling detectives and introducing recycling facilities at public pools in Bendigo. Lessons from the projects will be shared through various forums including SV's annual waste education conference and waste education knowledge bank.

Supporting households to dispose of hazardous waste

Now in its 25th year of operation, we provided the Victorian community with access to safe disposal services for household chemicals and products such as batteries, paint and fluorescent lights. We serviced 30 permanent drop-off sites and expanded our Detox Your Home mobile event service to deliver two new mobile events in Daylesford and Seymour. This year 3,710 households attended 29 mobile events across metropolitan Melbourne and regional Victoria with 819 tonnes of hazardous household products collected and safely disposed through both services.

Paintback, the industry funded national paint product stewardship scheme, continued its successful roll-out across Victoria. SV and predecessor agencies partnered with the paint industry over the last decade to improve the management of 24,000 tonnes of paint and packaging that Australia disposes of annually. With SV, providing Secretariat services, this work culminated in the listing of architectural and decorative waste paint under the Product Stewardship Act 2011 and the establishment of a national product stewardship scheme for paint. We have assisted the rollout of Paintback by actively collaborating to transition key state-wide permanent drop-off sites to the Paintback scheme. Our support of Paintback in 2017–18 means we no longer pay for paint recycling from an extra 16 permanent drop-off sites, with the paint industry now paying for its reuse and disposal.

Guiding schools to waste less

Through our ResourceSmart Schools program we helped schools to save over \$1.2 million through minimising waste and increasing resource recovery. Schools typically achieved a 5 to 10 per cent reduction in waste generation, and many schools made changes to infrastructure and/or changes to their processes.

Better data, better decisions

Our annual waste data surveys help industry and local and state governments to invest, plan and improve our waste and resource recovery system. We used evidence-based data surveys to help industry and local and state government to invest, plan and improve our waste and resource recovery system. Data from our surveys has been used to prepare two long-standing annual reports on the recycling industry and local government services, which users can use to improve our waste and resource.

We are committed to open and transparent data. To realise this commitment, we improved our Australian first Waste Data Portal to provide interactive mapping that helps identify where Victoria's waste streams are being generated and managed. Providing information in this way enables a better visualisation of state data so that users can scale up data to quickly identify trends and pattern to facilitate better decision making by local government and business. We developed three interactive dashboards:

- ▶ Waste Projection Model (to track and project future solid waste flows until 2045–46)
- ▶ Victoria's Kerbside Waste data (historical volumes of kerbside waste generated and managed in each of Victoria's 79 councils)
- ▶ Victorian Biomass Residual Generation Estimates (estimate of volumes of biomass generated by 79 Local Government Areas).

By presenting these key pieces of information, users can get an overall picture of waste and resource recovery trends across Victoria. In 2017–18, we began auditing Victoria's Waste Composition information – including landfill audits, audits of four types of commercial and industrial businesses and trialling a system to better capture waste composition data from Resource Recovery Centres.

We shared more high-quality data on Victoria's biomass resources through the Australian Renewable Energy Mapping Infrastructure (AREMI) platform to support development of new bioenergy projects as part of the Australian Biomass for Bioenergy Assessment (ABBA) project. Last year, we uploaded over 40 separate data layers to the AREMI platform. The data will be particularly useful to local government, potential investors, biomass producers and industry when considering the development and siting of bioenergy facilities. In 2017–18, Victorian biomass data was accessed over 1000 times by users in Victoria and across the country.

Together we can do more

We partnered with the Victorian Department of Health and Human Services, the Australian Nurse and Midwife Federation and Health Purchasing Victoria to support healthcare providers to reduce the sector's impact on the environment and save money. Our work on the Waste in the Health Sector program helps Victorian public hospitals with evidence-based interventions to increase resource recovery and reduce waste generation within the public health sector. The research report identified and prioritised waste streams and hospital services and these findings will form the basis of an upcoming project, including theatre and emergency departments, polyvinyl chloride (PVC) items, single use metal items, clinical waste, e-waste and commingled recovery.

This year we continued our pioneering research with the CSIRO, conducting social research into Victorian community attitudes towards recycling to support the development of future campaigns on waste. We created a monitoring and evaluation framework and engagement plan for recommended project areas in response to our research.

Reducing food waste

Food waste makes up around 25 per cent of the average household garbage bin in Victoria, however two-thirds of that waste could have been avoided. To help households waste less and save money, in 2017-18 the Love Food Hate Waste campaign launched the Love a List Challenge to improve the meal planning and shopping habits of Victorian families.

Delivered online and supported by advertising and public relations, the Love a List campaign received record media attention and online engagement, and has proven to successfully change behaviour to reduce household food waste and save families money.

The campaign videos have been watched over 650,000 times collectively. Facebook was a major advertising channel and the Love a List Facebook content reached 370,000 unique people. In addition, shopping centre display panels promoting the campaign reached an estimated 40% of the target audience. We also provided grants totalling \$66,295 to 10 organisations to deliver tailored, local Love Food Hate Waste activities to inform and empower communities across Victoria to reduce food waste.

In the first month, 800 households signed up to take the four-week Love a List challenge. A participant survey showed 90% of respondents had reduced their household food waste and 60% had saved more than \$50 a month. A post-campaign survey also showed that after the campaign, there was a 15% increase in people reporting that they often or always write a meal plan.

In 2017-18, we were part of the successful bid for the national Food Waste Cooperative Research Centre (CRC), a collaborative research centre that brings together 70 key players from across the food supply chain to address Australia's food waste issues. Our contribution to the National Food Waste Strategy was led and informed by the information gathered from a round table on food waste avoidance that we hosted earlier in the year. The state-wide food avoidance round table brought together 24 businesses from across Victoria to discuss the barriers and opportunities to addressing food waste within the sector. The National Food Waste Strategy, released in November 2017 sets out a national approach to reduce Australia's food waste by 2030.

Case Study: Love Food Hate Waste



New research conducted by Sustainability Victoria in 2018 estimated that \$5.4 billion worth of food is wasted by Victorian households every year. However almost two-thirds of the food households throw away could have been eaten.

To help address this, we launched the Love a List campaign in 2018 which uses behavioural insights to encourage Victorian families to improve their meal planning and shopping and reduce their household food waste. Targeted at parents with children under the age of 16, the campaign uses the key motivator of saving money on groceries and is fronted by comedian Cal Wilson to engage the audience on a topic that can often be over looked.

The campaign centred around the Love Food Hate Waste short documentary, which followed three real Victorian families as they took the Love a List Challenge - a four-week challenge to plan their meals and stick to a shopping list to see how much they could reduce their food waste and their grocery bills. The Challenge was available online for people to join and was promoted through advertising, public relations and short video content. More than 900 Victorian households joined the Challenge and a survey sent to participants found that 90% of respondents felt their household food waste had reduced throughout the Challenge and 60% continued their new food behaviours after the Challenge was finished.

Following its early success, we will continue and expand the Love a List campaign in 2018-19.



Enabling delivery

Using our customer-first approach, we seek to strengthen our organisation in seven key areas throughout the duration of the SV2020 strategy. These enablers describe how our programs and services should be delivered to the benefit of Victorian communities. We work using evidence and research, behaviour change, collaboration and partnership, innovative business and financing models, innovation and adaptability, people and culture and organisational excellence to continually evolve as an organisation so we can continue to meet the needs of our customers. Many of these themes are delivered through the Priority 1 and 2 projects, but some are delivered to support the organisation as a whole.

In the past 12 months, we have enabled SV's success by:

- › **Demonstrating value:** We undertook an independent assessment by ACIL Allen of our programs to demonstrate the economic value and impact we have created for the Victorian community.
- › **Put the customer first:** We redeveloped the architecture, content and user experience of our website to make it easier for Victorians to access tools and resources that improve their energy efficiency and recycling. This year we engaged with over 8.7% Victorians (which is the equivalent of approximately 550,000 visitors) through our online platforms, by aligning promotion of our content with key seasonal opportunities such as peaks in summer energy use, in addition to monthly themed campaigns e.g. Declaring June to be 'Food waste month', providing our customers with the most relevant information when they need it most
- › **Built a high-performing culture:** We provided training to our leaders on how to manage and support flexible workforce arrangements to implement the Victorian Government's commitment to an all roles flex policy, while still delivering on our priorities.
- › **Built staff capability:** We supported 20 SV staff to attain Certificate IV in Project Management whilst implementing a new project management and benefits monitoring tool.
- › **Increased our impact:** We reduced our GHG emissions by 3.9% to do our part towards achieving Victoria's 2050 zero carbon target.
- › **Driving action:** We conducted research into the behaviours, attitudes and beliefs of the Victorian community to gain insights and tailor our program design to deliver services that reflect their needs. This year, we continued our partnership with BehaviourWorks Australia, part of the Monash Sustainable Development Institute, to support this key function. As part of our commitment to our customer-first approach and to make sure that our programs continue to meet the needs of our customers and stakeholders, we conducted research and trials to:
 - develop a campaign to increase Victorians' awareness of electronic waste and appropriate recycling behaviours
 - inform how we monitor and evaluate our influence on household food waste behaviours and awareness
 - help local government successfully educate and support their communities
 - test new campaigns online and with focus groups to identify which approaches and messages most successfully help the community to understand and apply new knowledge about managing their waste
 - workshop and co-design projects with specific community segments e.g. engagement with culturally and linguistically diverse (CALD) communities on E-waste with Metro councils to ensure materials are produced with current and emerging CALD communities

Customer and stakeholder insights were also used this year to inform a new SV Narrative Strategy. Our narrative ensures our communication will resonate with our customers and stakeholders to support them to take action to reduce their emissions and waste and create the state of the future that is important to them.

We have started work on developing an 'SV Priorities for Change' Masterplan to establish the point where we can support our customers and stakeholders while seeking out the opportunity for greatest impact that will help us reduce greenhouse gas emissions and use resources wisely. This work will inform our future priorities, strategies and programs, so that we can continue to meet the changing needs of Victorians.

ACIL Allen

The assessment found SV delivered a cost benefit ratio of 1:2.49, generating a total of \$248.4 million benefits in terms of present value to Victoria from an investment of \$28.6 million. In one example assessed (Driving New Investment in Recycling), every \$1 spent returned nearly \$20 in economic benefit to the community. When all program benefits were taken into consideration, the total benefits from all of SV's assessed program are a likely to significantly exceed the organisation's expenditure since 2011. The assessment and its findings will be used to improve SV's future approach to program design and monitoring and evaluation.

Measuring our success

SV's Towards SV2020 Strategic Plan outlined a five-year strategy for a sustainable, thriving Victoria. In 2016–17 we refreshed this strategic plan to align with changes in government policy and better meet the needs of our customers. SV2020 builds on the direction of Towards SV2020 and incorporates practical approaches to a sustainable, low emissions Victoria. It continues our commitment and legislated obligation to statewide waste and resource recovery planning. Our success is dependent on our close working relationships with our stakeholders and, in a challenging that saw global market changes, their support and dedication to helping create a sustainable Victoria is gratefully received.

As part of SV2020, we updated the performance measures to track the success of the strategic plan. The table below outlines our progress in 2017-18 towards meeting these targets. A framework of supporting group and project indicators will ensure we are on track to achieving our targets.

SV2020 ORGANISATIONAL PERFORMANCE MEASURES	Unit of measure	2015–16 Baseline	2017–18 Target	2017–18 Actual
Act on climate change				
A third of Victorians will recognise that climate change is a significant issue facing Victoria	per cent	30%	31%	35% ¹
Our programs will have helped Victoria's households, schools and businesses save \$10 million on their annual energy bills	\$	0	\$4.9 million	\$3.7 million ²
The greenhouse gas abatements achieved through our programs will have increased to 240,000 Tonnes CO2 Equivalent per year.	t CO ₂ -e	12,000	43,000	66,000
We will have helped 2000 of Victoria's vulnerable households reduce their energy bills through sustainable housing upgrades	number	0	650	35 ³
Use resources wisely				
We will have added enough new capacity to Victoria's waste recycling sector to recycle almost 400,000 tonnes of waste	tonnes	7,500	54,000	40,000 ⁴
We will have helped local governments redirect almost 100,000 tonnes of organic material from landfill	tonnes	20,000	20,000	31,300
Our programs will reduce the annual greenhouse gas emissions generated from waste in Victoria	per cent	0.1%	2%	2.6%
Enabling delivery				
Stakeholder rating of Relevance of SV to their organisation	per cent	82%	85%	87%
Victorians engaged through SV online platforms	per cent	6%	8.5%	8.7%
SV employees' engagement within the organisation	per cent	62%	69%	69%

Notes:

- 1 Although we are unable to rerun the initial survey a similar question measuring the relative importance of issues was included in the Brand and Reputation survey undertaken in June. This survey returned a value of 35% which overshoots our target by 2%.
- 2 Target not met due to re-phasing of delivery under our Better Commercial Buildings program. The program is on track to deliver \$1.5 million in savings by 30 June 2020. With all other projects contributing to this measure exceeding their savings targets we are on track to exceed our SV2020 target of \$10 million of energy bill savings.
- 3 Target not met due to delays in commencing upgrades under our Latrobe Valley Home Energy Upgrades and Victorian Healthy Homes programs. Commencement of upgrades were delayed in order to support strengthening of program guidelines and procedures to protect the health and safety of project workers and home occupants. While both programs are on track to deliver a combined 2,000 upgrades by March 2021 this will not be achieved in full under our current strategy.
- 4 Target not met due delays in the commissioning of waste infrastructure under our Resource Recovery Infrastructure Fund. The program is on track to exceed the current target of 400,000 tonnes of additional processing capacity by 30 June 2020.

Summary of financial performance

Five year financial summary

The following table outlines our five year financial summary and current year financial review.

	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Government	40,591	33,778	30,132	32,610	33,183
Total income from transactions	43,898	36,661	32,695	35,181	35,267
Total expenses from transactions	(40,645)	(32,881)	(33,480)	(40,335)	(44,393)
Net result from transactions	3,248	3,780	(785)	(5,154)	(9,125)
Net result for the period	3,170	4,056	(934)	(5,231)	(8,853)
Net cash flow from operating activities	4,099	6,363	(6,485)	(2,845)	(10,462)
Total assets	36,372	32,676	28,319	31,169	36,439
Total liabilities	5,100	4,574	4,273	6,190	6,228

Current year financial review

Overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the agency.

Financial performance and business review

In 2017-18, SV recorded a net result from transactions of \$3.2 million, which is a decrease of \$0.6 million compared to 2016-17. This is due to expenses increasing slightly more than income with a \$7.8 million (23.6%) increase in total expenses from transactions and a \$7.2 million (19.7%) increase in income from transactions.

Total income in 2017-18 of \$43.9 million increased mainly due to increased revenue received from Sustainability Funds grants. There was an overall increase in expenditure for 2017-18 of \$7.8 million, from an increase in program expenditure by \$5.5 million and employee benefits increasing by \$2.0 million as FTE has increased by 6 to 114.8.

Financial position – balance sheet

Total assets increased by \$3.7 million to \$36.4 million primarily from an increase of \$3.8 million in cash because of receiving cash in advance to be expended on government priorities in future periods. Total liabilities of \$5.1 million has increased slightly; creditors increased by \$0.3 million and employee related provisions increasing by \$0.2 million.

Cash flows

SV's net cash inflow from operating activities decreased by \$2.3 million to \$4.1 million. This decrease in cash reflects SV's decrease in net result from transactions for the year, adjusted for the impact of non-cash items such as depreciation.

SV has in place a Long-Term Financial Plan which seeks to ensure the organisation's financial sustainability and maintain an adequate financial buffer in outward years.

Income is expected to increase to approximately \$66.5 million in 2018-19 and then reduce to \$43.2 million in 2019-20 and \$27.8 million in 2021-21 based on our current projects. The impact of this has been built into SV's forward budgets and any deficit being funded through the utilisation of cash reserves on government priorities.

SV had \$27.5 million in cash reserves as at 30 June 2018, of which, \$12.5 million represents funds received from government (tied to the delivery of specific projects) that was unspent at 30 June 2018. We have future expenditure commitments totalling \$31.2 million, of which, \$24.1 million is for tied funding projects and \$7.1 million for other expenditure.

In 2017-18 SV 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.

Significant changes in financial position

There were no significant matters which changed SV's financial position during the reporting period.

Significant changes or factors affecting performance

There were no significant changes or factors which affected SV's performance during the reporting period.

Capital projects

In 2017-18 SV did not have any capital projects with a total estimated investment of \$10 million or more.

Disclosure of grants and transfer payments

Please refer to Appendix 4.

Subsequent events

There has been an event subsequent to balance date at 30 June 2018 which may significantly affect operations in subsequent years.

This is disclosed in Note 8.5 of the financial statements and relates to the Victorian Government announcement on the 19 August 2018 regarding the establishment of Solar Victoria.

Governance and organisational structure

Our Board

The *Sustainability Victoria Act 2005* allows for the Minister for Energy, 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.

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 2017-18 the Board held two of its meetings in regional Victoria, visiting Bendigo in August and Traralgon in April, providing an excellent opportunity to visit sites and connect with regional stakeholders, including the Waste Resource and Recovery Groups in each of those regions.

There was a substantial review of the governance policies and procedures that comprise the SV Corporate Governance Operating Manual. The Board reviewed committee membership and terms of reference.

The Board placed increasing emphasis on risk management in the second half of the year. This will be a continuing focus in 2018-19.

Board members

The table below shows our Board members for 2017-18 and overall period of appointment.

Board Member	Period of Appointment
Heather Campbell, Chair	Appointed 26 February 2016.
Kane Thornton, Deputy Chair	Appointed to the Board 8 May 2015; appointed Deputy Chair 1 July 2017
Peter Castellás	Appointed 1 July 2017
Vicky Darling	Appointed 10 June 2016
Megan Flynn	Appointed 8 May 2015
Judith Harris	Appointed 1 July 2017
Kerry Osborne	Appointed 1 July 2016
Jennifer Lauber Patterson	Appointed 10 June 2016

Attendance at Sustainability Victoria Board meetings in 2017-18

The Board met seven times in 2018-19. Members' attendance is presented below.

Board member	Meetings eligible to attend	Meetings attended
Heather Campbell (Chair)	7	7
Kane Thornton (Deputy Chair)	7	5
Peter Castellás	7	7
Sarah Clarke	7	5
Vicky Darling	7	6
Megan Flynn	7	7
Judith Harris	7	7
Jennifer Lauber Patterson	7	7
Kerry Osborne	7	6

Our Board members

Heather Campbell, Chair

Heather has more than 25 years' experience leading the management of environmental, sustainability and risk issues and brings experience of Landcare, waste minimisation and resource efficiency to her role as Chair of the Board. Currently the CSIRO's Director of Health Safety and Environment, Heather has held executive and senior managerial roles with Landcare Australia, 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. Heather is a Director of the Zoological Parks and Gardens Board, Victoria and Board member of the Aluminium Stewardship Initiative.

Kane Thornton, Deputy Chair

Kane Thornton is Chief Executive of the Clean Energy Council, the peak body for the renewable energy and energy storage industry in Australia. Kane has more than a decade's experience in energy policy and leadership in the development of the renewable energy industry. His previous roles include senior manager and advisor for Hydro Tasmania and executive officer of Renewable Energy Generators Australia.

Kane has broad international management experience having previously worked in technology, 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 energy sector.

Kane is a graduate of the Australian Institute of Company Directors, has a Masters in Social Science and Bachelor of Information Technology. He is the Chair of the SV Board's Audit, Risk and Finance Committee.

Peter Castellás

Peter Castellás has more than 20 years of experience in environment and sustainability. He has been the Chief Executive of the Carbon Market Institute since 2013, assisting Australian businesses in meeting the challenges and opportunities in transitioning to a low carbon economy. Prior to joining the Institute, Peter was Director of Sustainability, Carbon and Cleantech at Deloitte Touche Tohmatsu for three years, and Managing Director of Cleantech Australasia for five years where he designed and ran successful clean technology, finance and investment initiatives in Australia and overseas.

Earlier, Peter was the Fund Manager of the Sustainable Melbourne Fund, Sustainability Advisor for the Commonwealth Bank of Australia and was a founding executive at Melbourne University Private's School of Energy and Environment. Peter holds a Bachelor of Education (Environmental Studies) and a Post Graduate Certificate in Cleaner Production and Environmental Engineering. Peter is a member of the Board's People Culture and Remuneration Committee.

Sarah Clarke

Sarah Clarke has broad multi-industry experience including in sustainability, public affairs, stakeholder engagement, and ethics. Sarah is currently Group General Manager, Sustainability & Reputation at Mirvac. Her previous roles include Director of Public Affairs and Sustainability at Keolis Downer (Yarra Trams), Senior Manager, Community Engagement and Group Manager, Community Investment at Origin Energy, and Head of Public Engagement at the Global Carbon Capture and Storage Institute. Sarah has also worked at executive level in the Commonwealth public sector. Sarah holds a Master of Arts (Professional and Applied Ethics), a Bachelor of Arts (Hons, English) and a Diploma of Government. Sarah is a member of the Board's People Culture and Remuneration Committee.

Vicky Darling

Ms Vicky Darling is CEO of Volunteering and Contact ACT, the peak body for volunteering and community information in the broader Canberra region, and is a member of the Canberra Business Chamber's Social Enterprise Taskforce. Prior to this Ms Darling ran her own management consulting services and has over 13 years of experience in government including senior public sector strategic policy roles, and senior advisory roles for a former Premier of Queensland and a former Commonwealth Government Minister. Ms Darling 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. Ms Darling has previously chaired the Queensland Waste and Recycling Expert Advisory Panel, Parliamentary Committees, Budget Estimates Committees and the Far North Queensland Ministerial Regional Community Forum, and is a non-executive director of the Australian Cervical Cancer Foundation. She is a member of the Board's Audit Risk and Finance Committee. Ms Darling holds a Bachelor of Arts and is a Graduate of the Australian Institute of Company Directors.

Megan Flynn

Megan is the Qantas Group Manager - 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 is Chair of Earthwatch Institute Australia, is a non-executive director of the Carbon Market Institute and sits on the Advisory Board of the Melbourne Sustainable Society Institute for the University of Melbourne. Megan chairs the Board's People Culture and Remuneration Committee.

Judi Harris

Judi Harris brings expertise in education and local government with a strong focus on community engagement. She is a former Mildura Rural City councillor (2008-2016) and held the council's environmental sustainability portfolio from 2012 to 2016. Judi has held numerous board and committee memberships in arts, education and sustainability, including five years as Deputy Chair of the former Mildura Regional Waste Management Group. Her 36-year education career included secondary education, eight years as an enhancement tutor in communication and media studies at Monash University, and educational consulting in the United States of America for four years. Judi holds a Bachelor of Arts and a Secondary Teachers Certificate. Currently, Judi is tutoring in Professional Writing at La Trobe University. She is a member of the Board's People Culture and Remuneration Committee.

Kerry Osborne

Kerry's strengths lie in corporate and operational leadership, financial acumen and positive organizational change. Kerry is the Managing Partner of a mentoring consultancy, The Leader's Mentor. Previously he was the Chief Executive Officer of Court Services Victoria. Prior roles include the Chief Executive and Manager Director of CityWide Services, an environmental, civil engineering and recycling operation, owned by the City of Melbourne. Earlier he was the founding Chief Executive Officer of Excell Corporation (1996 -2001) delivering open-space services, facilities management and civil engineering services to local government, across Eastern Australia. Kerry holds a Master of Business Administration (Chicago Booth Business School), a Certificate of Civil Engineering and is a Fellow of the Australian Institute of Company Directors. He is a member of the Board's Audit, Risk and Finance Committee and sits on two other external Boards, as a non-executive director.

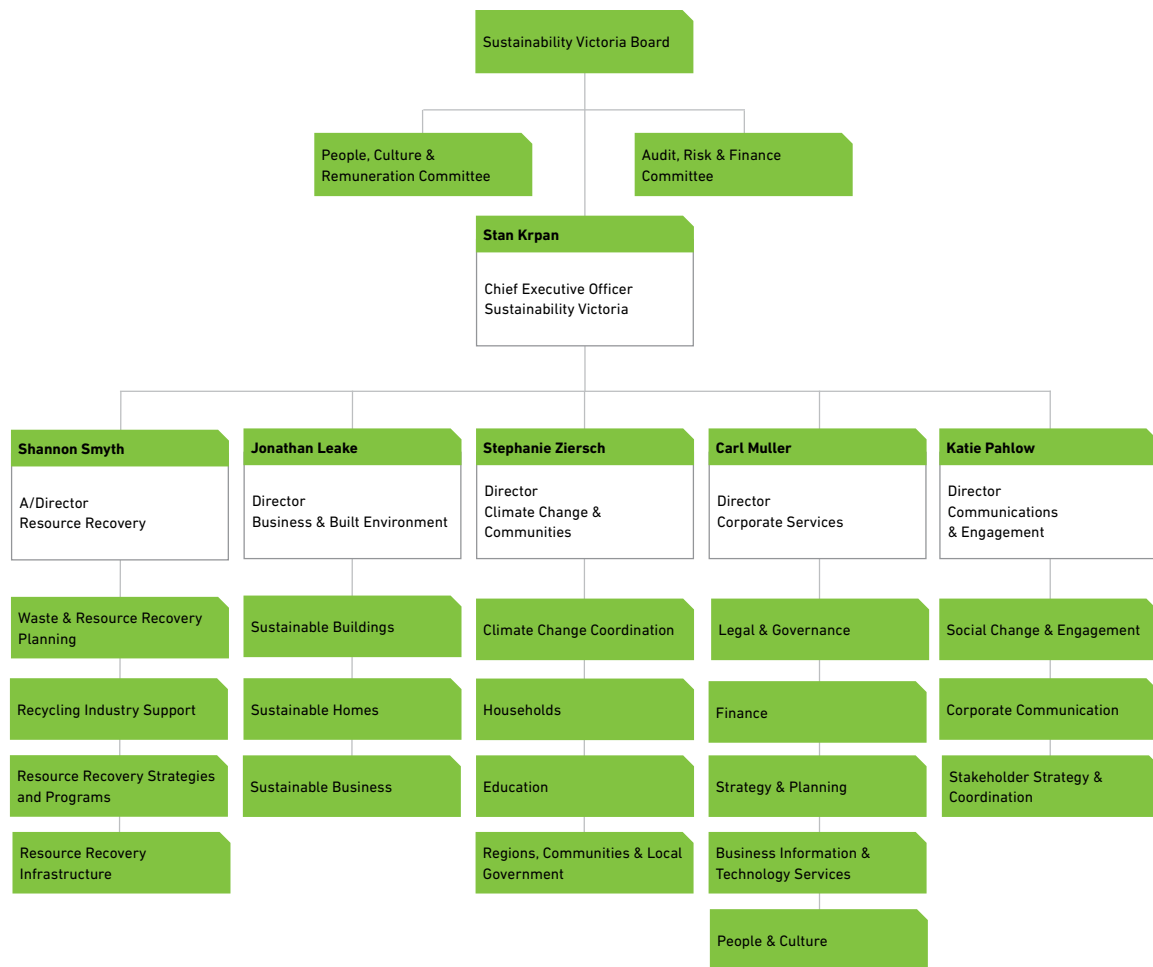
Jennifer Lauber Patterson

Jennifer Lauber Patterson is Managing Director of the Frontier Impact Group with 30 years' experience in building new businesses in the energy and banking sectors, specialising in energy, environmental and risk and investment advisory services. Jennifer was ANZ Bank's Director of Electricity, Renewables and Emission for six years, Head of Environmental Treasury Solutions at the National Australia Bank for two years and earlier held senior finance and trading roles in the energy sector. She is the Chair of Yarra Energy Foundation. Ms Lauber Patterson's previous board and committee experience includes representing the Australian Financial Markets Association on the Carbon Market Working Group and the Australian Head of the Climate Markets Investment Association. Jennifer is a member of the Board's Audit, Risk and Finance Committee. Jennifer is a Certified Practising Accountant, a Graduate of the Australian Institute of Company Directors, and holds a Bachelor of Business, a Certificate in Applied Finance, a Diploma of Financial Markets (AFMA)

Organisational structure and corporate governance arrangements

Our 2017-18 executive team comprised the CEO, five directors, with each accountable for key organisational functions, program delivery and line management.

The team as at 30 June 2018 is shown below.



Stan Krpan

Stan was appointed CEO of SV in 2012. As CEO, Stan provides leadership and strategic management to SV and ensures proper resource allocation and the timely delivery of outcomes. He has extensive experience in executive roles, leading reforms in law, health, safety and environment regulation and sustainability across SV, EPA and Worksafe Victoria. He is Chair of Infoxchange, a Director of Western BACE and a member of the BehaviourWorks Australia Advisory Board.

Shannon Smyth

As acting Director Resource Recovery, Shannon has led the integration of SV's statewide waste strategies and programs that deliver infrastructure and markets for Victoria's growing waste and resource recovery industry. He has a strong history of government reform in waste, leadership in sustainability investment and application of environmental and property law.

Stephanie Ziersch

Stephanie leads the Communities and Climate Change program which involves inspiring and educating communities, schools, local government and households to act on climate change. She has extensive public sector experience at an international, national and state level and a strong record in climate change policy development and program delivery.

Jonathan Leake

Jonathan leads the Business and Built Environment sector, aiming to achieve zero net emissions by 2050. He has extensive experience in energy efficiency and renewable energy in the built environment and played a key role in delivering the Greenhouse Challenge and Cities for Climate Protection programs, as well as the development and delivery of the Green Star rating tools.

Katie Pahlow

Katie leads communication and engagement to put climate change among the top issues for Victorians and promote SV as the first place to go to take action on sustainability. She has expertise in behaviour change campaigns, science communication and education, integrated marketing, brand building and customer focus, with a strong track record of reform and achievement. Under her leadership Zoos Victoria initiated their highly regarded behaviour change and advocacy campaigns, including the Banksia Award winning 'Don't Palm Us Off' campaign.

Carl Muller

Carl leads business support, strategic direction and the measurement of success for SV. He has led a series of transformational programs in the environment sector, including a regulatory reform initiative whilst at EPA. A qualified oceanographer, Carl worked on the establishment of the Australian Tsunami warning system at the Bureau of Meteorology, our response to the 2004 Indonesian tsunami.

Audit, Risk and Finance Committee

The Board has two committees, the Audit, Risk, Finance Committee and the People, Culture and Remuneration Committee.

The Audit, Risk and Finance Committee consisted of the following members in 2017–18:

- › Kane Thornton, Committee Chair and Deputy Chair of the Board – appointed to the Committee 24 August 2017
- › Vicky Darling, Board Member
- › Jennifer Lauber Patterson, Board Member
- › Kerry Osborne, Board Member -appointed to the Committee 24 August 2017
- › Lee Wapling, External Member
- › Liza Maimone, External Member
- › Heather Campbell, Chair of the Board (ex officio)

All members of the Committee are independent within the definition of the Standing Directions guidance and are not involved in the day to day management of SV. Four members, including the Committee Chair, are Board members. Committee membership was reviewed in August 017–18 following the retirement from the Board of Ross McCann (Committee Chair) and Roger Parker on 30 June 2017.

The Audit Risk and Finance Committee is established in accordance with the requirements of Standing Direction of the Minister for Finance 3.2.1 – Audit Committees.

The Committee has adopted terms of reference that set out its roles and responsibilities under Standing Direction 3.2.1.1. Key responsibilities of the Audit Risk and Finance Committee are to:

- › review and report independently to the board on the annual report and all other financial information published by SV;
- › assist the board in reviewing the effectiveness of SV's internal control environment covering:
 - › effectiveness and efficiency of operations;
 - › reliability of financial reporting; and
 - › compliance with applicable laws and regulations;
- › determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- › oversee the effective operation of the risk management framework.

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 or as required.

The Committee met four times in 2017-18. Attendance of committee members is detailed in the table below.

Committee member	Meetings eligible to attend	Meetings attended
Kane Thornton	3	3
Vicky Darling	4	4
Jennifer Lauber Patterson	4	3
Kerry Osborne	3	3
Lee Wapling	4	4
Liza Maimone	4	2
Heather Campbell (ex officio)	4	3

People, Culture and Remuneration Committee

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

- › setting strategic direction and framework
- › reviewing effectiveness of people strategies and policies
- › Executive performance and succession planning
- › Chief Executive Officer recruitment, selection, performance and succession
- › Monitoring and Compliance

In 2017-18 the committee:

- › > provided strategic oversight and input into Executive Talent Management & Succession
- › > provided strategic oversight and input into Organisational Culture and Pulse survey and results
- › > provided guidance and support of SV policies
- › > monitored and analysed trends arising from quarterly People and Culture metrics.

The committee comprised five board members in 2017-18 Megan Flynn (Chair), Heather Campbell, Peter Castellas, Sarah Clarke, Judith Harris and an external member Fiona Lund.

Committee member	Meetings eligible to attend	Meetings attended
Megan Flynn (Chair)	4	4
Judith Harris	4	4
Heather Campbell	4	4
Peter Castellas	4	3
Sarah Clarke	4	3
Fiona Lund	4	2

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. 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 2017–18 include:

- › adoption of the Victorian government Supplier Code of Conduct and communication to our suppliers
- › e-waste recycled by Green Collect
- › 100 per cent post-consumer recycled paper
- › sustainable choices for office supplies (pens etc.)
- › fair trade coffee
- › subsidised bicycle servicing for staff
- › staff with at least six months' service can access the Salary Advance Bicycle Purchase Policy which offers a salary advance up to \$2,000 to buy a bike for themselves or their family
- › public transport tickets for staff traveling to and from meetings
- › hybrid fleet vehicles
- › hand washing of cars
- › catering from social and sustainable enterprises
- › 100 per cent GreenPower for all office light and power needs
- › carbon offsets for all operational emissions.

We have a mandatory environmental management criterion in all competitive procurement (10 per cent weighting for tenders). The EMS performance of our suppliers in 2017–18 is outlined below.

Occupational health and safety

Our people are fundamental to our success. We strive to integrate health, safety and wellbeing into everything we do to provide a positive, healthy and safe working environment. Our Board, CEO, Directors and leaders are committed to providing and promoting a healthy workplace and safe systems of work. This commitment is outlined in the SV Health, Safety and Welfare (HS&W) policy which applies to all SV employees, contractors, agency temps, Board members and volunteers (workers) as well as visitors.

In 2017–18, we recorded:

- › no worker's injury claims
- › no formal written complaints
- › no equal opportunity, bullying or harassment complaints
- › No days of lost time due to injury
- › an average of 22 training hours per employee

Table 1.1 PERFORMANCE AGAINST HEALTH, SAFETY AND WELLBEING MANAGEMENT MEASURES

Measure	KPI	2017-18	2016-17	2015-16	2014-15	2013-14
Incidents	Number of incidents	6	7	11	7	5
	Rate per 100 FTE	5.2	6.4	10.17	6.50	6
	Average time lost per occurrence (days)	0	2	0	0	0
Claims	Number of standard claims*	0	1	1	2	1
	Average cost per claim	0	0	\$1,357	\$2,348	0
Management commitment	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans	Completed	Completed	Completed	Completed	Completed
Risk management	Percentage of internal audits/ inspections conducted as planned	100%	100%	100%	100%	100%

* Data sourced from Victorian WorkCover Authority (VWA).

Workforce data

Public sector values and employment 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. Employees have been correctly classified in workforce data collections.

The Public Administration Act 2004 established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

Sustainability Victoria has introduced policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. Sustainability Victoria has advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

The public-sector values are: responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

Public entities are required to have in place employment processes to 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), include:

- › the Code of Conduct for VPS employees
- › the Conflict of Interest policy framework and the Gifts Benefits and Hospitality policy framework.

Table 1.3 SUMMARY OF WORKFORCE 2017 AND 2018

Ongoing employees					Fixed term and casual employees
	Employees (headcount)	Full-time (headcount)	Part-time (headcount)	FTE	FTE
June 2017	83	70	13	78.8	30
June 2018	80	63	17	75.1	39.7

* 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

Comparative workforce data

At 30 June 2018:

- › SV employed 80 ongoing staff (75.1 full time equivalent) compared to 83 staff (78.8 full time equivalent) At 30 June 2017.
- › the proportion of women was 61 per cent (compared to 58 per cent At 30 June 2017)

The tables below show data on our workforce* composition, average salaries by gender and VPS classification.

Table 1.2 SV EMPLOYEE NUMBERS 2012–2018

2018	2017	2016	2015	2014	2013	2012
114.8	108.8	108.2	112	110.7	105.7	113

June 2018							
	All Employees		Ongoing Employees			Fixed Term & Casual Emps	
	Number (Headcount)	FTE	Full Time (Headcount)	Part Time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Man	44	43.4	27	2	28.6	15	14.8
Woman	77	70.4	36	15	46.5	26	23.9
Self Described	1	1.0	0	0	0	1	1
Age							
Under 25							
25- 34	26	25	10	3	12.2	13	12.8
35-44	52	47.2	24	10	30.9	18	16.3
45-54	25	23.8	15	3	17.2	7	6.6
55-64	18	17.8	14	1	14.8	3	3
Over 65	1	1	0	0	0	1	1
Total Classification							
VPS 1	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0
VPS 3	5	4.8	2	1	2.8	2	2
VPS 4	31	28	13	6	16.9	12	11.1
VPS 5	64	60.6	31	7	36	26	24.6
VPS 6	18	17.4	13	3	15.4	2	2
STS	0	0	0	0	0	0	0
Executive	4	4	4	0	4	0	0
Total	122	114.8	63	17	75.1	42	39.7

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.

June 2017							
	All Employees		Ongoing Employees			Fixed Term & Casual Emps	
	Number (Headcount)	FTE	Full Time (Headcount)	Part Time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Man	47	46.4	32	0	32	15	14.4
Woman	67	62.4	38	13	46.8	16	15.6
Self Described							
Age							
Under 25	0	0	0	0	0	0	0
25- 34	25	24	12	2	13.4	11	10.6
35-44	50	46.8	30	7	34.4	13	12.4
45-54	26	25	17	4	20	5	5
55-64	11	11	9	0	9	2	2
Over 65	1	1	1	0	1	0	0
Total Classification							
VPS 1	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0
VPS 3	3	3	2	0	2	1	1
VPS 4	36	34	24	5	27	7	7
VPS 5	55	52	29	6	33	20	19
VPS 6	14	13.9	11	1	11.9	2	2
STS	1	1	0	0	0	1	1
Executive	5	4.9	4	1	4.9	0	0
Total	114	108.8	70	13	78.8	31	30

Workforce Inclusion Policy

Tracking and analysing SV's workforce profile provides important insights about the characteristics of our workforce in a diversity and inclusion context.

The profile is reviewed on a regular basis, both as a stand-alone profile and by using relative comparisons such as the VPS, the Victorian labour market, and the general Victorian population. We can then identify and address any systemic issues or barriers to diversity and inclusion.

Given our relatively small workforce, SV does not set targets for employment of people from specific demographic groups. However, our philosophy is that our workforce should generally reflect the composition of the Victorian labour market and working age population. If we identify variances, they can be addressed as part of our Diversity and Inclusion Action Plan.

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.

SV's four executive officers in 2017–18 were responsible for leading the business and providing oversight of strategy and operations. They held fixed term and ongoing positions. The tables below show the breakdown of executive officers by gender and reconciliation of executive numbers.

Table 1.4 BREAKDOWN OF EXECUTIVE OFFICERS BY GENDER 2017–18

Ongoing							
Man		Woman		Self Described		Vacancies	
Class	Number	*Variance	Number	*Variance	Number	*Variance	
E0-1							
E0-2							
E0-3	2	1	2	0	0	0	1
E0-4	2	1	2	0	0	0	1

*Variance refers to comparison against 2016–17 data

Table 1.5 RECONCILIATION OF EXECUTIVE NUMBERS 2017–18

		2017-18	2016-17	2015-16
	Executives	5	7	5
Less	Separations	1	2	0
	Leave without pay	0	0	0
	Long term acting arrangements	1	0	0
	Total executive numbers at 30 June	4	5	5

Other Disclosures

Local Jobs First – VIPP

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (VIPP). Departments and public sector bodies are required to apply the Local Jobs First – VIPP 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.

During 2017-18, we commenced two Local Jobs First – VIPP applicable procurements/contracts totalling \$8.41 million. Of those projects, one was located in regional Victoria, with a commitment of 64 per cent of local content, and one was statewide, with an average commitment of 65 per cent local content.

The outcomes expected from the implementation of the Local Jobs First – VIPP to these projects where information was provided are as follows:

- › an average of 64.5 per cent of local content commitment was made;
- › a total of 17 jobs (annualised employee equivalent (AEE)) were committed, including the creation of seven new jobs and the retention of 10 existing jobs (AEE); and
- › a total of two positions for apprentices/trainees were committed, including the creation of two new apprenticeships/traineeships, and the retention of no existing apprenticeships/traineeships.

During 2017-18, we did not complete any Local Jobs First – VIPP applicable projects.

For design contracts or grants provided during 2017-18, a total of nine interaction reference numbers were required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

Government advertising expenditure

In 2017-18 SV did not deliver any government advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

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

In 2017-18, there were 12 consultancies costing in excess of \$10,000 at a total cost of \$567,302 (ex GST). Details of 2017-18 individual consultancies are shown below. The details of all consultancies are made available on SV's website through the publication of our Annual Reports.

	Contract ID	Consultant	Title and Description	Start Date	End Date	Total Fees (\$)	Expenditure this year (\$)	Future Commitments (\$)
1	C-10117	Form Engineers	QVM anaerobic digestion: Feasibility study	4/06/2018	27/06/2018	\$10,000.00	\$10,000.00	\$0.00
2	C-10058	Point Advisory Pty Ltd	SV Performance Measures Best Practice Review: Review of SV2020 performance measures	12/02/2018	4/06/2018	\$14,500.00	\$5,800.00	\$0.00
3	C-10131	Suricate Pty Ltd	Critical Friend Engagement: Coaching and expert advice	26/03/2018	31/07/2018	\$15,000.00	\$7,000.00	\$8,000.00
4	C-10124	Lightspeed Research	TAKE2 renewable energy market research: Online market research	21/03/2018	30/04/2018	\$17,490.00	\$17,490.00	\$0.00
5	C-09794	Urban EP	Community Sustainability Infrastructure Fund Evaluation: Summative evaluation	28/08/2017	16/10/2017	\$19,890.00	\$19,890.00	\$0.00
6	C-10095	David Caple & Associates	Home upgrade programs: Occupational health and safety report and advice	27/02/2018	10/05/2018	\$20,000.00	\$14,200.00	\$0.00
7	C-09791	First Person Consulting	TAKE2 End of Year One Review: Program evaluation	25/08/2017	2/10/2017	\$22,550.00	\$22,550.00	\$0.00
8	C-09941	Point Advisory Pty Ltd	Cost Benefit Analysis - Victorian Community Energy Transition: Cost benefit analysis	20/11/2017	13/12/2017	\$24,000.00	\$24,000.00	\$0.00
9	C-10157	Envisage Works	Chinese import restrictions impact assessment on Victoria: Desktop study and report	10/04/2018	30/08/2018	\$28,500.00	\$18,000.00	\$10,500.00
10	C-09793	Expert Group	Technical and strategic support for the Fan RIS Technical Working Group: Support negotiations regarding the proposed MEPS regulations for fan-units	30/08/2017	30/06/2018	\$30,800.00	\$25,440.83	\$0.00
11	C-10343	Equilibrium OMG Pty Ltd	PV Systems Stewardship Options Assessment: Data collection and report	22/06/2018	28/12/2018	\$154,198.00	\$60,000.00	\$94,198.00
12	C-09783	ACIL Allen	Sustainability Victoria Value Assessment: Economic evaluation	17/08/2017	20/11/2017	\$210,374.00	\$210,374.00	\$0.00

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

In 2017-18, there were 9 consultancies engaged during the year, where the total fees payable to the individual consultants was less than \$10 000. The total expenditure incurred during 2017-18 in relation to these consultancies was \$48,710. (excl. GST).

Information and Communication Technology expenditure

For the 2017-18 reporting period, SV had total ICT expenditure of \$2,708,052, with the details shown below.

All operational ICT expenditure		ICT expenditure relating to projects to create or enhance ICT capabilities	
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
\$1,660,968	\$1,047,084	\$935,496	\$111,588

ICT expenditure refers to SV's costs in providing business enabling ICT services within the current reporting period. 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.

Disclosure of major contracts

SV did not award any major contracts (valued at \$10 million or more) during 2017-18 (A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more).

Freedom of Information

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by us. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by us. This comprises documents both created by us or supplied to us by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by us is available on our website under our Part II Information Statement.

The Act allows us to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to us in confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by us, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au or made through a written request to our Freedom of Information Officer, as detailed in s17 of the Act. An application fee of \$28.40 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in our possession should be addressed to:

Ms Kara Miller
Freedom of Information Officer
Sustainability Victoria
Level 28, 50 Lonsdale Street Melbourne Victoria 3000

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

Fol statistics/timeliness

During 2017–18, we received three applications. Of these requests, two were from the media and one was from the general public.

We made two Fol decisions during the 12 months ending 30 June 2018. Both decisions were made within the statutory 45 day time period (as it was at the time). The average time taken to finalise requests in 2017–18 was 29.5 days.

During 2017–18, no requests were subject to a complaint/internal review by OVIC or appeal to VCAT.

Further information

Further information regarding the operation and scope of Fol can be obtained from the Act; regulations made under the Act; and foi.vic.gov.au.

Statement of availability of other information

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 Sustainability Victoria and are available in full on request, subject to the provisions of the *Freedom of Information Act 1982*:

- a A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- b Details of publications produced by Sustainability Victoria about itself, and how these can be obtained.
- c Details of any major reviews carried out in respect of the operation of Sustainability Victoria.
- d Details of major research and development activities undertaken by Sustainability Victoria.
- e Details of major promotional, public relations and marketing activities undertaken by Sustainability Victoria to develop community awareness of the entity and its services.
- f Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- g A general statement on industrial relations within Sustainability Victoria and details of time lost through industrial accidents and disputes.
- h A list of major committees sponsored by Sustainability Victoria; the purposes of each committee and the extent to which the purposes have been achieved.
- i Details of overseas visits undertaken
- j Details of changes in prices, fees, charges, rates and levies charged for its services

The information is available on request from our Freedom of Information Officer (identified above):

Information that is not applicable to Sustainability Victoria

The following information is not relevant to Sustainability Victoria, for the reasons set out below:

- a Details of all consultancies and contractors including: consultants/contractors engaged; services provided; and expenditure committed for each engagement. A declaration of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary (No shares have ever been issued in Sustainability Victoria).

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*. For a copy of the Privacy Statement:

visit www.sustainability.vic.gov.au
call (03) 8626 8700
email privacy@sustainability.vic.gov.au.

We received no complaints of privacy breaches in 2016–17.

Compliance with Building Act 1993

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

Competitive Neutrality Policy Victoria

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

We are working to ensure Victoria fulfils its requirements on competitive neutrality reporting against the enhanced principles as required under the Competition Principles Agreement.

Compliance with Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* (PD Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PD Act provides protection to people who make disclosures in accordance with the PD Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

We do not tolerate improper employee conduct, nor the taking of reprisals against those who come forward to 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 any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure to the extent of it is legally possible.

Reporting procedures

We are not able to receive protected disclosures. However, you can make a protected disclosure about us or our Board members, officers or employees by contacting the Independent Broad-Based Anti-Corruption Commission (IBAC) as follows:

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

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

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

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

Further information

Our Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by us or any of our employees and/or officers, are available on our website at: www.sustainability.vic.gov.au

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the following information is available at www.data.vic.gov.au in electronic readable format:

- Aggregates, masonry and soils recovery in Victoria 2015–16 (part of the Victorian Recycling Industry Annual Survey 2015–16)
- Victorian Local Government Annual Survey 2015–16 (Census of all 79 Victorian Local Governments)
- Rubber recovery in Victoria 2015–16 (part of the Victorian Recycling Industry Annual Survey 2015–16)
- Plastics recovery in Victoria 2015–16 (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 2015–16 (part of the Victorian Recycling Industry Annual Survey 2013–14)
- Paper and cardboard recovery in Victoria 2015–16 (part of the Victorian Recycling Industry Annual Survey 2015–16)
- Victorian Recycling Industry Annual Survey 2015–16
- Metal recovery in Victoria 2015–16 (part of the Victorian Recycling Industry Annual Survey 2015–16)
- 2001–02 to 2007–08 Local Government Waste and Recycling Services Survey
- Solar Report
- 2009 Green Light Report – Environmental Attitudes Survey
- Byteback Drop Off Points
- ResourceSmart Retailers
- Detox Your Home Disposal Points

Annual financial statements

How this report is structured

SV has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about SV's stewardship of resources entrusted to it:

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Sustainability Victoria

The attached financial statements for Sustainability Victoria (SV) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including 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 and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and the financial position of SV as at 30 June 2018.

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 also certify that Sustainability Victoria has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and processes. Sustainability Victoria's Audit, Risk and Finance Committee verifies this.

We authorise the attached financial statements for issue on 20 September 2018.



Heather Campbell
Chair
Sustainability Victoria

Melbourne
20/09/2018



Stan Krpan
Chief Executive Officer
Sustainability Victoria

Melbourne
20/09/2018



Cathryn Anderson
Chief Financial Officer
Sustainability Victoria

Melbourne
20/09/2018



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Sustainability Victoria

Opinion I have audited the financial report of Sustainability Victoria (the authority) which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
25 September 2018



Paul Martin
as delegate for the Auditor-General of Victoria

	Notes	2018	2017
		\$	\$
Income from transactions			
Landfill levy	2.1	19,325,289	20,022,889
Government grants	2.1	21,265,258	13,754,681
Other income from government	2.1	153,880	336,649
Interest	2.1	414,500	368,490
Other income	2.1	2,739,110	2,178,209
Total income from transactions		43,898,037	36,660,918
Expenses from transactions			
Grant and program expenses	3.1	(19,706,085)	(13,288,804)
Employee benefits	3.1	(14,603,528)	(13,554,372)
Depreciation and amortisation	4.1.1	(429,744)	(407,252)
Occupancy costs		(1,511,828)	(1,406,320)
Telecommunication & IT		(2,536,678)	(2,430,056)
Finance costs	6.1	(4,715)	(5,466)
Other operating expenses	3.1	(1,857,399)	(1,788,410)
Total expenses from transactions		(40,649,977)	(32,880,680)
Net result from transactions (net operating balance)		3,248,060	3,780,238
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	(a)	9,705	18,706
Net gain / (loss) from other economic flows	(b)	(87,715)	257,223
Total other economic flows included in net result		(78,010)	275,929
Net result		3,170,050	4,056,167
Comprehensive result		3,170,050	4,056,167

Note: (a) Net gain/(loss) on non-financial assets includes disposals of all physical assets

Note: (b) Net gain/(loss) from revaluation of employee benefits - Provision for Long Service Leave

The accompanying notes form part of these financial statements.

Sustainability Victoria

Balance Sheet

As at 30 June 2018

	Notes	2018	2017
		\$	\$
Assets			
Financial assets			
Cash & deposits	6.3	27,482,805	23,720,887
Receivables	5.1	7,074,802	6,838,965
Investments and other financial assets	4.3	161,583	-
Total financial assets		34,719,190	30,559,852
Non-financial assets			
Property, plant & equipment	4.1	374,878	427,502
Prepayments		553,955	828,190
Intangible assets	4.2	724,235	860,831
Total non-financial assets		1,653,068	2,116,523
Total assets		36,372,258	32,676,375
Liabilities			
Payables	5.2	2,522,044	2,228,984
Borrowings	6.1	162,273	170,684
Employee related provisions	3.1.2	2,409,776	2,174,631
Other Provisions	5.3	6,037	-
Total liabilities		5,100,131	4,574,299
Net assets		31,272,126	28,102,076
Equity			
Accumulated surplus/(deficit)		5,223,320	2,053,270
Contributed capital		26,048,806	26,048,806
Total equity		31,272,126	28,102,076

The accompanying notes form part of these financial statements.

Sustainability Victoria

Cash Flow Statement

For the financial year ended 30 June 2018

	Notes	2018	2017
		\$	\$
Cash flows from operating activities			
Receipts			
Receipts from government grants		22,195,501	16,052,173
Receipts from government - other		153,880	336,649
Receipts from landfill levy		19,249,689	19,906,866
Other receipts		1,929,718	2,235,664
Interest received		423,365	358,391
Goods and Services Tax recovered from the ATO (a)		1,849,090	1,420,489
Total Receipts		45,801,243	40,310,232
Payments			
Payments to program recipients		(21,743,275)	(12,934,715)
Payments to suppliers and employees		(19,954,510)	(21,007,137)
Interest and other costs of finance paid		(4,715)	(5,466)
Total Payments		(41,702,500)	(33,947,318)
Net cash flows from / (used in) operating activities	6.3.1	4,098,743	6,362,914
Cash flows from investing activities			
Payments for property, plant and equipment		(94,535)	(497,612)
Payments for investments		(161,583)	-
Payments for intangible WIP		(56,250)	-
Proceeds from disposal of property, plant and equipment		33,954	18,706
Net cash flows from / (used in) investing activities		(278,414)	(478,906)
Cash flows from financing activities			
Repayment of finance leases		(58,411)	(38,306)
Net cash flows from / (used in) financing activities		(58,411)	(38,306)
Net increase in cash & cash equivalents		3,761,918	5,845,702
Cash & cash equivalents at the beginning of the financial year		23,720,887	17,875,185
Cash & cash equivalents at the end of the financial year	6.3	27,482,805	23,720,887
Non-cash transactions	6.3.1		

Notes: (a) GST recovered from the Australian Taxation Office is presented on a net basis

The accompanying notes form part of these financial statements

Sustainability Victoria

Statement of changes in Equity

For the financial year ended 30 June 2018

	Accumulated Surplus / (Deficit)	Contributions by Owner	Total
	\$	\$	\$
Balance at 1 July 2016	(2,002,897)	26,048,806	24,045,909
Net result for the year	4,056,167	-	4,056,167
Balance at 30 June 2017	2,053,270	26,048,806	28,102,076
Net result for the year	3,170,050	-	3,170,051
Balance at 30 June 2018	5,223,320	26,048,806	31,272,127

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1: About this Report

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

Its principal address is:

Level 28
Urban Workshop
50 Lonsdale Street
Melbourne VIC 3000

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.

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. 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 Note 4.1);
- › superannuation expense (refer Note 3.1.3); 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 Note 3.1.2).

The financial statements include all the controlled activities of SV.

Compliance information

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.

Note 2 Funding Delivery of our Services

Introduction

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*.

Structure

Summary of income that funds the delivery of our services	47
Government grants	47
Income from other transactions	47

Note 2.1 Summary of income that funds the delivery of our services

	Notes	2018	2017
		\$	\$
Landfill Levy		19,325,289	20,022,889
Government grants	2.2	21,265,258	13,754,681
Interest		414,500	368,490
Other income	2.3	2,892,990	2,514,858
Total income from transactions		43,898,037	36,660,918

Revenue is recognised on an accrual basis in accordance with AASB118 Revenue.

The landfill levy is amounts received by Sustainability Victoria (SV) from the Department of Environment, Land, Water and Planning (DELWP) under the *Environment Protection (Distribution of Landfill Levy) Regulations 2010*. Landfill levies are recorded in the period SV obtains control.

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.

Note 2.2 Government grants

	2018	2017
	\$	\$
Sustainability Fund grants to Sustainability Victoria	21,151,314	8,695,264
Government initiatives funding	113,944	5,059,417
Total Government grants	21,265,258	13,754,681

Sustainability Fund grants and Government initiatives funding 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.

Note 2.3 Income from other transactions

	2018	2017
	\$	\$
FirstRate5 Certificates and Accreditation	2,417,538	1,717,746
Program contributions	321,572	460,463
Other income from government - Secondment fees	153,880	336,649
Total Other income	2,892,990	2,514,858

FirstRate5 Certificates and accreditation, program contributions and secondment fees are recognised as income when SV obtains control over the assets comprising these receipts. Control is normally obtained upon their receipt or upon earlier notification that the receipt has been secured, and assets are valued at their fair value at the date of transfer.

Note 3: The Cost of Delivering Services

Introduction

This section provides an account of the expenses incurred by SV in delivering the services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with the provision of services are recorded.

Structure

Expenses incurred in delivery of services	48
Grant and program expenses	51
Other operating expenses	51

Note 3.1 Expenses incurred in delivery of services

	Notes	2018	2017
		\$	\$
Employee benefits expense	3.1.1	14,603,528	13,554,372
Grant and program expenses	3.2	19,706,085	13,288,804
Other operating expenses	3.3	1,857,399	1,788,410
Total expenses incurred in delivery of services		36,167,012	28,631,585

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2018	2017
	\$	\$
Salaries and wages, annual leave and long service leave	13,469,352	12,482,572
Defined contribution superannuation expense	1,134,176	1,046,452
Defined benefits superannuation expense	-	25,348
Total employee expenses	14,603,528	13,554,372

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. SV does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Note 3.1.2 Employee benefits in the balance sheet

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 and recorded as an expense during the period the services are delivered.

	2018	2017
	\$	\$
Current provisions		
Annual Leave		
Unconditional and expected to settle within 12 months	482,166	400,758
Unconditional and expected to settle after 12 months	245,733	208,718
Long Service Leave		
Unconditional and expected to settle within 12 months	568,557	470,521
Unconditional and expected to settle after 12 months	461,121	423,217
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	150,417	127,207
Unconditional and expected to settle after 12 months	97,737	92,262
Total current provisions for employee benefits	2,005,731	1,722,683
Non-current provisions		
Employee Benefits – Long Service Leave	352,570	394,370
On-costs	51,475	57,578
Total non-current provisions for employee benefits	404,045	451,948
Total provisions for employee benefits	2,409,776	2,174,631

Reconciliation of Movement in on-cost provision

	2018	2017
	\$	\$
Opening Balance	277,048	333,563
Additional provisions recognised	70,209	112,733
Reductions arising from payments/other sacrifices of future economic benefit	(145,448)	(168,831)
Unwind of discount and effect of changes in the discount rate	-	(417)
Closing Balance	201,809	277,048
Current	150,333	219,470
Non-current	51,475	57,578

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because SV does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As SV expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as SV does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed 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:

- › undiscounted value – if the Department expects to wholly settle within 12 months; or
- › present value – if the Department does not expect to wholly 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 is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

Note 3.1.3 Superannuation contributions

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

The defined benefit liability is recognised in DTF as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of SV.

	Paid contribution for the year		Contribution outstanding at year end	
	2018	2017	2018	2017
	\$	\$	\$	\$
Defined benefit plans: (i)				
Emergency Services and State Super Fund	-	24,219	-	1,129
Defined contribution plans:				
VicSuper	501,426	487,573	9,050	10,350
Other	653,006	539,511	13,627	9,018
Total	1,154,432	1,051,303	22,677	20,497

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

Note 3.2 Grant and program expenses

	2018	2017
	\$	\$
Grant and program expenses		
Resource Recovery and Climate Change	11,190,186	6,224,969
Energy Efficiency	6,186,738	2,154,466
Engagement (Includes all Litter and Schools Programs)	2,329,161	4,909,369
Total grant and program expenses	19,706,085	13,288,804

Expenditure incurred for each of the operating areas of SV includes grants, rebates, advertising campaigns and sponsorships. Grants that form part of program expenditure are recognised 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 committed expenditure.

Note 3.3 Other operating expenses

	2018	2017
	\$	\$
Contractors and consultants	528,819	326,576
Agency staff	240,625	209,824
Internal audit	110,313	129,688
Unspent funds returned	-	325,584
Other operating expenses	977,642	796,738
Total other operating expenses	1,857,399	1,788,410

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. An expense is recognised in the reporting period in which they are incurred.

Note 4: Key assets available to support output delivery

Introduction

SV controls assets that are utilised in fulfilling its objectives and conducting activities. They represent the resources that have been entrusted to SV to be utilised for delivery for these outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1 Total plant and equipment	52
4.2 Intangible assets	54

Note 4.1: Total Plant and equipment

	Gross Carrying amount		Accumulated depreciation		Net Carrying Amount	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Office furniture and equipment	472,015	427,365	(401,714)	(383,517)	70,301	43,847
Computer equipment	828,733	784,887	(691,443)	(571,916)	137,290	212,971
Motor vehicles	233,067	210,169	(71,818)	(39,485)	161,249	170,684
Make-good provision	6,038	-	-	-	6,038	-
Net carrying amount	1,539,853	1,422,421	(1,164,975)	(994,918)	374,878	427,502

Initial recognition: Items of plant and equipment, 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 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.

Subsequent measurement: Plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regards to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Motor vehicles are valued using the depreciated replacement cost method. SV acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the SV who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Note 4.1.1: Depreciation and amortisation

Charge for the period	2018	2017
	\$	\$
Office furniture and equipment	18,197	16,919
Computer equipment	119,527	113,556
Motor vehicles	43,867	38,450
Intangible assets (amortisation)	248,153	238,327
Total depreciation and amortisation	429,744	407,252

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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	(Years) Useful Life
Office furniture and equipment	5 to 10 years
Computer equipment	3 years
Make good asset	Over the lease term
Motor vehicles – Leased	3 years
Intangible asset	5 years

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

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

Impairment:

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Note 4.1.2: Reconciliation of movements in carrying amount of property, plant and equipment

	Office furniture and equipment		Computer equipment		Motor vehicles		Make-Good Provision		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance	43,847	60,766	212,971	161,029	170,684	171,823	-	-	427,502	393,618
Additions	44,651	-	43,846	165,498	50,000	73,949	6,038	-	144,535	239,447
Disposals	-	-	-	-	(15,568)	(36,638)	-	-	(15,568)	(36,638)
Depreciation	(18,197)	(16,919)	(119,527)	(113,556)	(43,867)	(38,450)	-	-	(181,591)	(168,925)
Closing balance	70,301	43,847	137,290	212,971	161,249	170,684	6,038	-	374,878	427,502

Note 4.2: Intangible assets

	2018	2017
	\$	\$
Gross carrying amount		
Opening balance	1,240,768	945,965
Additions from IT development	-	294,803
Work in Progress of IT Development	111,558	-
Closing balance	1,352,326	1,240,768
Accumulated depreciation and amortisation		
Opening balance	(379,937)	(141,610)
Amortisation expense (i)	(248,154)	(238,327)
Closing balance	(628,091)	(379,937)
Net book value at end of financial year	724,235	860,831

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

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 Intangible Assets is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement

Intangible produced assets with finite useful lives, are depreciated as an 'expense from transactions' on a straight line basis over their useful lives. Additions from IT development have a useful lives of 5 years.

Impairment of intangible assets

Intangible assets not yet available for use are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 4.1.1.

Significant intangible assets

SV has capitalised software development expenditure for the development of its SV Enabled technology software. The carrying amount of the capitalised software development expenditure is \$612,677 (2017: \$860,831). Its useful life is five years and will be fully amortised in 2022. There have been additions to work in progress in 2017-18 for the development of the project management software ProMPT totalling \$111,558. This project is expected to be completed and amortised in August 2018.

Make-good asset: refer note 5.3

Note 4.3: Investments and other financial assets

	2018	2017
	\$	\$
Non-current investments and other financial assets		
Investment – social enterprise projects	20,000	-
Loans receivable – social enterprise projects	141,583	-
Total non-current investments and other financial assets	161,583	-
Total investments and other financial assets	161,583	-

Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired
	\$	\$
2018		
Managed Fund	161,583	-
Total	161,583	-

Note 5: Other Assets and Liabilities

Introduction

This section sets out those assets and liabilities that arose from SV's controlled operations.

Structure

5.1 Receivables	56
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Note 5.1: Receivables

	2018	2017
	\$	\$
Contractual		
Trade debtors	716,870	280,500
Accrued Investment income	29,675	38,539
Other receivables	34,120	26,385
Amounts owing from Victorian Government (i)	679,837	1,325,858
Statutory		
Landfill Levy receivable (ii)	4,831,322	4,755,722
GST Receivable	782,978	411,961
Total receivables	7,074,802	6,838,965
Represented by: Current receivables	7,074,802	6,838,965

Notes:

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

(ii) All monies due for Landfill Levy in 2018 were paid in July 2018.

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Doubtful Debts: Receivables are assessed for bad and doubtful debts on a regular basis. 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.

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.

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired Less than 1 month	Past due but not impaired		
			1-3 months	3 months - 1 year	
	\$	\$	\$	\$	\$
2018					
Trade Debtors	716,870	710,142	-	-	6,728
Accrued investment income	29,675	29,675	-	-	-
Amounts owing from Victorian Government	679,837	679,837	-	-	-
Other debtors	34,120	34,120	-	-	-
Total	1,460,502	1,453,774	-	-	6,728
2017					
Trade Debtors	280,500	280,500	-	-	-
Accrued investment income	38,539	38,539	-	-	-
Amounts owing from Victorian Government	1,325,858	1,325,858	-	-	-
Other debtors	26,385	-	3,400	10,227	12,758
Total	1,671,282	1,644,897	3,400	10,227	12,758

There are no material financial assets that are individually determined to be impaired. Currently SV does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

Note 5.2: Payables

	2018	2017
	\$	\$
Contractual		
Trade creditors	576,587	520,661
Accrued project grants	1,184,575	1,085,812
Accrued expenses	643,904	503,755
Statutory		
GST payable	63,137	57,406
Payroll tax payable	45,319	37,777
FBT payable	8,522	23,573
Total payables	2,522,044	2,228,984
Represented by: Current payables	2,522,044	2,228,984

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, that 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 contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the 'other payables' for the outstanding balance.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

Maturity analysis of contractual payables ⁽ⁱ⁾

	Carrying amount	Nominal Amount	Maturity dates		
			Less than 1 month	1-3 months	3 months - 1 year
			\$	\$	\$
2018					
Trade creditors	576,587	576,587	506,508	61,172	8,907
Accrued project grants	1,184,575	1,184,575	1,184,575	-	-
Accrued expenses	643,904	643,904	643,904	-	-
Total	2,405,066	2,405,067	2,334,987	61,172	8,907
2017					
Trade creditors	520,661	520,661	464,359	56,303	-
Accrued project grants	1,085,812	1,085,812	1,085,812	-	-
Accrued expenses	503,755	503,755	503,755	-	-
Total	2,110,228	2,110,228	2,053,926	56,303	-

Notes: (i) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables). Maturity analysis is presented using the contractual undiscounted cash flows.

Note 5.3: Other provisions

	2018	2017
	\$	\$
Current provisions		
Make-good provision	6,037	-
Total non-current provisions	6,037	-
Total other provisions	6,037	-

Other provisions are recognised when SV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision 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.

Reconciliation of movements in other provisions

	Make Good	Total
	\$	\$
Opening balance	-	-
Additional provision recognised	6,037	6,037
Closing balance	6,037	6,307

The make-good provision is recognised in accordance with the lease agreement over the premises at Level 28/50 Lonsdale Street Melbourne. SV must remove any leasehold improvements from the leased warehouse and restore the premises to its original condition at the end of the lease term.

Note 6: How we financed our operations

Introduction

This section provides information on the sources of finance utilised by SV during its operations, along with interest expense (the cost of borrowings) and other information related to financing activities of SV.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

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Note 6.1: Borrowings

	2018	2017
	\$	\$
Current borrowings		
Finance lease liabilities (i)	90,051	37,001
Total current borrowings	90,051	37,001
Non-current borrowings		
Finance lease liabilities(i)	72,223	133,683
Total non-current borrowings	72,223	133,683
Total borrowings	162,274	170,684

Notes: (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.

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

Maturity analysis of borrowings

	Carrying amount	Nominal Amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
			\$	\$	\$	\$
2018						
Finance Lease Liabilities	162,274	162,274	7,504	22,513	60,034	72,223
Total	162,274	162,274	7,504	22,513	60,034	72,223
2017						
Finance Lease Liabilities	170,684	170,684	3,083	9,249	24,669	133,683
Total	170,684	170,684	3,083	9,249	24,669	133,683

Interest expense

	2018	2017
	\$	\$
Interest on finance leases	4,715	8,727
Total interest expense	4,715	8,727

Interest expense includes costs incurred in connection with the interest component of finance lease repayments.

Interest expense is recognised in the period in which it is incurred.

Note 6.2: Leases

Note 6.2.1: Finance lease liabilities

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2018	2017	2018	2017
	\$	\$	\$	\$
Not longer than one year	93,993	42,180	90,051	37,001
Longer than one year but not longer than five years	72,995	137,231	72,223	133,683
Minimum future lease payment	166,988	179,411	162,274	170,684
Less future finance charges	(4,715)	(8,727)	162,273	-
Present value of minimum lease payments	162,273	170,684	162,273	170,684
Included in the financial statements as:				
Current borrowings (Note 6.1)			90,051	37,001
Non- current borrowings (Note 6.1)			72,223	133,683
Total			162,273	170,684

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

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.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Note 6.3: Cash flow information and balances

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

	2018	2017
	\$	\$
Cash at bank	1,181,805	986,887
Cash on hand	1,000	1,000
Short-term deposits	26,300,000	22,733,000
Balance as per cash flow statement (i)	27,482,805	23,720,887

Note: (i) Of the \$27,482,805 cash and short term deposits held by SV as at 30 June 2018, \$12,533,383 represents funds received from Government tied to the delivery of specific projects that was unspent at 30 June 2018.

Note 6.3.1: Reconciliation of net result for the period to cash flow from operating activities

	2018	2017
	\$	\$
Net result for the financial year	3,170,051	4,056,167
Non-cash movements:		
Depreciation	429,744	407,252
(Gain) / Loss on disposal of assets	(9,705)	(18,706)
Movements in assets and liabilities:		
Increase/(Decrease) in employee related provisions	241,183	(446,380)
Increase in payables	237,937	786,296
(Increase) / Decrease in prepayments	274,235	(311,222)
Decrease in receivables	244,702	1,889,506
Net cash flows from/(used in) operating activities	4,098,743	6,362,913

Note 6.4: Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of the GST payable. 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.

	Less than 1 year	1 – 5 years	5+ years	Total
Nominal Amounts	\$	\$	\$	\$
2018				
Operating and lease commitments(i)	1,614,834	3,719,010	-	5,333,844
Other commitments- contracts(ii)				
Tied funding	20,409,409	6,098,827	-	26,508,236
Other funding	1,525,593	913,021	-	2,438,614
Total commitments (inclusive GST)	23,549,836	10,730,858	-	34,280,693
Less GST recoverable	2,140,894	975,533	-	3,116,427
Total commitments (exclusive GST)	21,408,942	9,755,324	-	31,164,266
2017				
Operating and lease commitments(i)	1,149,514	3,948,755	-	5,098,269
Other commitments- contracts(ii)				
Tied funding	5,524,156	3,421,711	-	8,945,867
Other funding	2,934,100	1,233,877	-	4,167,977
Total commitments (inclusive of GST)	9,607,770	8,604,343	-	18,212,113
Less GST recoverable	873,434	782,213	-	1,655,647
Total commitments (exclusive of GST)	8,734,336	7,822,130	-	16,556,466

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 262 contracts by SV as at the reporting date (190 contracts at 30 June 2017) but not included in the Balance Sheet and are carried forward into the 2018-19 financial year and beyond

Note 7: Risk, contingencies and valuation judgements

Introduction	Structure	
SV is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instruments specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for SV related mainly to fair value determination.	7.1 Financial instruments specific disclosures	29
	7.2 Contingent assets and contingent liabilities	33
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Note 7.1: Financial instruments specific disclosures

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*.

Categories of Financial instruments

Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). SV recognises the following assets in this category:

- › cash and deposits
- › receivables (excluding statutory receivables); and
- › term deposits

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. SV recognises the following liabilities in this category:

- › payables (excluding statutory payables); and
- › borrowings (including finance lease liabilities).

De-recognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- › the rights to receive cash flows from the asset have expired; or
- › SV retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- › SV has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where SV has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of SV's continuing involvement in the asset.

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.

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*.

De-recognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Note 7.1.1: Financial instruments: Categorisation

	Contractual financial assets/loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2018			
Contractual financial assets			
Cash and deposits	27,482,805	-	27,482,805
Receivables (i)	1,460,502	-	1,460,502
Investments	161,583	-	161,583
Total Contractual financial assets	29,104,890	-	29,104,890
Contractual financial liabilities			
Payables (i)	-	2,359,771	2,359,771
Finance Lease Liabilities	-	162,273	162,273
Total Contractual financial liabilities	-	2,522,044	2,522,044

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

	Contractual financial assets/loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$
2017			
Contractual financial assets			
Cash and deposits	23,720,887	-	23,720,887
Receivables (i)	1,671,282	-	1,671,282
Total Contractual financial assets	25,392,169	-	25,392,169
Contractual financial liabilities			
Payables (i)	-	2,110,228	2,110,228
Finance Lease Liabilities	-	170,684	170,684
Total Contractual financial liabilities	-	2,280,912	2,280,912

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

Note 7.1.2: Financial risk management objectives and policies

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 7.3 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.

Financial Instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. SV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to SV. Credit risk is measured at fair value and is monitored on a regular basis.

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.

In addition, SV does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, SV's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that SV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents SV's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to SV's credit risk profile in 2017-18.

Credit quality of contractual financial assets that are neither past due or impaired

	Financial institutions (triple A credit rating)	Government agencies (triple A credit rating)	Other (min triple B credit rating)	Total
2018	\$	\$	\$	\$
Cash and deposits	1,181,805	26,300,000	-	27,481,805
Receivables (i)	-	1,453,773	-	1,453,773
Investments	161,583	-	-	161,583
Total Contractual financial assets	1,343,388	27,753,773	-	29,097,161

	Financial institutions (triple A credit rating)	Government agencies (triple A credit rating)	Other (min triple B credit rating)	Total
2017	\$	\$	\$	\$
Cash and deposits	986,887	22,733,000	-	23,719,887
Receivables (i)	-	1,607,397	37,500	1,644,897
Total Contractual financial assets	986,887	24,340,397	37,500	25,364,784

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

Financial instruments: 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 and in the event of a dispute, making payments within 30 days from the date of resolution.

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.

Financial instruments: 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.

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 (2017: 50 basis points up and down) in market interest rates (AUD) from year-end rates of 1.77 per cent (2017: 1.66 percent)

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of change in market interest rates. Exposure to fair value 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.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. SV has minimal exposure to cash flow interest rate risks through cash and deposits and investments that are at a floating rate.

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

Interest rate exposure of financial instruments

2018	Weighted average interest rate %	Carrying Amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
		\$	\$	\$	\$
Financial assets					
Cash and deposits	[1.77]%	27,482,805	26,300,000	1,181,805	1,000
Receivables		1,460,502	-	-	1,460,502
Investments		161,583	-	-	161,583
Total financial assets		29,104,890	26,300,000	1,181,805	1,623,085
Financial liabilities					
Payables		2,359,771	-	-	2,359,771
Finance lease liabilities	3.18%	162,273	162,273	-	-
Total financial liabilities		2,522,044	162,273	-	2,359,771
2017					
Financial assets					
Cash and deposits	1.66%	23,720,887	22,733,000	986,887	1,000
Receivables		1,671,282	-	-	1,671,282
Total financial assets		25,392,169	22,733,000	986,887	1,672,282
Financial liabilities					
Payables		2,110,228	-	-	2,110,228
Finance lease liabilities	3.41%	170,684	170,684	-	-
Total financial liabilities		2,280,912	170,684	-	2,110,228

Notes: (i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

Interest rate risk sensitivity

	Carrying		Interest rate risk		
	amount	-50 basis points		+50 basis points	
		Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$
2018					
Contractual financial assets					
Cash and cash equivalents	27,482,805	(137,414)	(137,414)	137,414	137,414
Investments	161,583	(808)	(808)	808	808
Contractual financial liabilities					
Borrowings	162,273	(811)	(811)	811	811
Total impact		(139,033)	(139,033)	139,033	139,033
2017					
Contractual financial assets					
Cash and cash equivalents	23,720,887	(118,604)	(118,604)	118,604	118,604
Contractual financial liabilities					
Borrowings	170,684	(853)	(853)	853	853
Total impact		(119,457)	(119,457)	119,457	119,457

Notes: Cash and deposits includes a deposit of \$23,720,887 (2016: \$17,875,185) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:
- 2018: $27,482,805 \times 0.005 = \$137,414$
- 2017: $23,720,887 \times 0.005 = \$118,604$

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.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed and if quantifiable, are measured at nominal values. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

SV has no contingent assets or liabilities as at the reporting date (2017: \$Nil).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of SV.

This section sets out information on how SV determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result; and
- plant and equipment

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

SV determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair Value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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.

SV determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

SV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017-18 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables
Receivables:	Borrowings:
➤ Amounts owing from government	– Finance lease liabilities
➤ Accrued investment income	
➤ Other receivables	
Investments	

There is no difference in the fair value of SV's financial instruments to the carrying amounts for 2017 or 2018.

7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

	Carrying amount	Fair value measurement at end of reporting period using:		
2018	as at 30 June 2018	Level 1 (a)	Level 2 (a)	Level 3 (a)
Office furniture and equipment	70,301	-	-	70,301
Computer equipment	137,290	-	-	137,920
Motor Vehicles	161,249	-	-	161,249
Total of non-financial assets at fair value	368,840	-	-	368,840

	Carrying amount	Fair value measurement at end of reporting period using:		
2017	as at 30 June 2017	Level 1 (a)	Level 2 (a)	Level 3 (a)
Office furniture and equipment	43,847	-	-	43,847
Computer equipment	212,971	-	-	212,971
Motor Vehicles	170,684	-	-	170,684
Total of non-financial assets at fair value	427,502	-	-	427,502

Note: (a) Classified in accordance with the fair value hierarchy.

Office furniture and equipment and computer equipment is held at fair value. Fair value is determined using the current replacement cost method. There were no changes in valuation techniques used throughout the period to 30 June 2018. For all assets measured at fair value, the current use is considered the highest and best use.

Motor vehicles are valued using the current replacement cost method. SV acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by our Facilities Manager who sets relevant depreciation rates during use to reflect the lease term of the vehicle.

Reconciliation of Level 3 fair value movements

2018	Office, Furniture and Equipment	Computer Equipment	Motor Vehicle	Total
Opening balance	43,847	212,971	170,684	427,502
Purchases	44,651	43,846	50,000	138,497
Disposals	-	-	(15,568)	(15,568)
Depreciation	(18,197)	(119,526)	(43,867)	(181,591)
Closing balance	70,301	137,290	161,249	368,840

2017	Office, Furniture and Equipment	Computer Equipment	Motor Vehicle	Total
Opening balance	60,766	161,029	171,823	393,618
Purchases	-	165,498	73,949	239,447
Disposals	-	-	(36,638)	(36,638)
Depreciation	(16,919)	(113,556)	(38,450)	(168,925)
Closing balance	43,847	212,971	170,684	427,502

Description of significant unobservable inputs to Level 3 valuations

2018 & 2017	Valuation Technique	Significant unobservable inputs
Office Furniture & Equipment	Depreciated Replacement Cost	Cost per unit
Computer Equipment	Depreciated Replacement Cost	Cost per unit
Motor vehicles	Depreciated Replacement Cost	Cost per unit
Provision for make good	Current Replacement Cost	Cost per unit

Note 8: Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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Note 8.1: Ex-gratia expenses

SV had no ex-gratia expenses to report within the 2017-18 financial year.

Note 8.2: 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	1 July 2017 to 30 June 2018
Chief Executive Officer	Stan Krpan	1 July 2017 to 30 June 2018

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of SV during the reporting period was in the range: \$340,000 - \$349,000 (\$340,000 - \$349,000 in 2016-17).

Board members

1 July 2017 to 30 June 2018

Heather Campbell, Chair
Megan Flynn
Kane Thornton
Vicky Darling
Jennifer Lauber Patterson
Peter Castellias
Sarah Clarke
Judith Harris
Kerry Osborne

Remuneration

Amounts relating to ministers are reported in the financial statements of the Department of Parliamentary Services.

	Total remuneration 2018	Total remuneration 2017
Income band	No.	No.
0 - \$9,999	-	-
\$10,000 - \$19,999	8	8
\$30,000 - \$39,999	1	1
\$290,000 - \$299,999	-	-
\$320,000 - \$329,999	-	-
\$340,000 - \$349,999	1	1
Total numbers	10	10
Total amount	\$538,009	\$507,688

Note 8.3: Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined by AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel)	Total remuneration 2018	Total remuneration 2017
Short-term employee benefits	839,896	679,725
Post-employment benefits	85,546	64,911
Other long-term benefits	9,100	8,796
Termination benefits	-	68,829
Total remuneration(a)	934,542	822,261
Total number of executives	5	5
Total annualised employee equivalents(b)	5	5

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosures. The total remuneration includes three SV directors' remuneration for the period of they are acting as CEO.

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

(c) Total remuneration of executive officers in 2018 includes time spent acting as Accountable Officer during the financial year.

Note 8.4: Related Parties

SV is a wholly owned and controlled entity of the State of Victoria.

Related parties of SV include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the year, SV had the following government-related transactions:

Department of Environment, Land, Water & Planning (DELWP)

SV receives funding for on-going and program delivery activities from DELWP and makes payments for unspent program funding.

The amounts recognised as revenue are:	2017-18	2016-17
Landfill levy	\$19,325,289	\$20,022,889
Sustainability Fund grants	\$19,139,802	\$8,695,264
Government initiatives funding	\$841,000	\$3,339,500
<hr/>		
The amount recognised as expense is: Sustainability Fund grants	\$4,349,313	\$611,076

Environment Protection Agency Victoria (EPA)

SV received funding from EPA for the Household Chemicals Collection program.

The amount recognised as revenue is: Government initiatives funding	\$1,165,512	\$1,404,211
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Treasury Corporation of Victoria (TCV)

Any investments above \$2 million are required to be invested with TCV.

The amount recognised as revenue is: Interest revenue	\$404,654	\$361,726
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State Revenue Office (SRO)

The SRO is the Victorian Government's tax collection agency.

The amount recognised as revenue is: Payroll tax	\$625,130	\$597,756
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Key management personnel (KMP) of SV includes the Minister, the Hon. Lily D'Ambrosio, and the following:

Key management personnel	Position Title
Heather Campbell	Board Chair
Kane Thornton	Deputy Chair
Megan Flynn	Board member
Vicky Darling	Board member
Jennifer Lauber Patterson	Board member
Peter Castellias	Board member
Sarah Clarke	Board member
Judith Harris	Board member
Kerry Osborne	Board member
Stan Krpan	CEO

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Sustainability Victoria 2018		
Compensation of KMPs	2018	2017
Short term employee benefits	500,243	473,564
Post-employment benefits	37,766	34,124
Other long-term benefits	4,936	7,105
Termination benefits	-	-
Total	542,945	514,793

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner

consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of

processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

In 2017-18, SV paid \$927,657 (2016-17: \$763,422) 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.

In addition to the payments to CSIRO in 2017-18 SV paid \$12,500 to the Carbon Markets Institute for the Women in Climate sponsorship package as part of the 5th Australasian Emissions Reduction Summit and \$16,500 to The Leader's Mentor for the delivery of a pilot program. Two of SV's board members are involved in Carbon Markets Institute being Megan Flynn (as a Board member) and Peter Castellias (as the CEO). Neither were involved in any decision making relating to this payment to Carbon Markets. One SV board member is involved in The Leader's Mentor being Kerry Osborne (as the Managing Partner) and was not involved in the decision making relating to this payment to The Leader's Mentor.

Note 8.5: Subsequent events

On 19 August 2018 the Victorian Government announced the new Solar Homes program. In 2018-19 up to 24,000 Victorians will be able to install a solar panel system and receive a rebate up to a total value of \$2,225. The program also includes a rebate for up to 6,000 households to receive up to \$1,000 to replace their old hot water system with a new solar system.

Sustainability Victoria has been allocated funds to deliver the program in 2018-19 and has established a dedicated business unit called Solar Victoria.

Note 8.6: Remuneration of auditors

	2018	2017
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	28,300	27,600
Total remuneration of auditors	28,300	27,600

Note 8.7: Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2018 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 2018, the following standards and interpretations (applicable to SV) had been issued but were not mandatory for the financial year ended 30 June 2018. SV has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on SV's financial statements
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	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>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	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 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 Amendments to Australian Accounting Standards arising from AASB 9	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 SV.
AASB 15 Revenue from Contracts with Customers	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. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	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>There could be quite an impact on SV's revenue recognition as the performance obligation needs to be sufficiently specific. A detailed analysis will be conducted.</p>

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on SV's financial statements
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014 5 Amendments to Australian Accounting Standards arising from AASB 15	<p>Amends the measurement of trade receivables and the recognition of dividends as follow:</p> <ul style="list-style-type: none"> Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: <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. 	1 Jan 2018	The assessment has indicated that there will be no significant impact for SV, other than the impact identified in AASB 15.
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	<p>This Standard amends AASB 15 to clarify requirements for identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence.</p> <p>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 <p>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	The assessment has indicated that there will be no significant impact for SV, other than the impact identified in AASB 15.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on SV's financial statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> ➤ require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and ➤ clarifies circumstances when a contract with a customer is within the scope of AASB 15. 	1 Jan 2019	The assessment has indicated that there will be no significant impact for SV, other than the impacts identified for AASB 9 and AASB 15.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	<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>
AASB 1058 Income of Not-for-Profit Entities	This standard will replace AASB 1004 Contributions and establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objectives. The restructure of administrative arrangement will remain under AASB 1004.	1 Jan 2019	The assessment has indicated that where revenue is to be recorded under AASB 1058 rather than AASB 15 that some of SV revenue may no longer be immediately recognisable.

Note 8.8: Glossary of technical terms

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.

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

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

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 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.

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 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 is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; 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 represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

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

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

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

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.

8.9 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x 0x	year period

The financial statements and notes are presented based on the 2017-18 Model Report for Victorian Government Departments.

The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of SV's annual reports.

Appendix 1: Disclosure index

The annual report of the Agency is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Agency's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant ministers	4
FRD 22H	Purpose, functions, powers and duties	5
FRD 8D	Departmental objectives, indicators and outputs	7-20
FRD 22H	Key initiatives and projects	7-20
FRD 22H	Nature and range of services provided	7-20
Management and Structure		
FRD 22H	Organisational structure	24
Financial and other information		
FRD 8D	Performance against output performance measures	20
FRD 10A	Disclosure index	82-83
FRD 12B	Disclosure of major contracts	33
FRD 15D	Executive officer disclosures	30
FRD 22H	Employment and conduct principles	27
FRD 22H	Occupational health and safety policy	26
FRD 22H	Summary of the financial results for the year	21
FRD 22H	Significant changes in financial position during the year	21
FRD 22H	Major changes or factors affecting performance	21
FRD 22H	Subsequent events	21
FRD 22H	Application and operation of Freedom of Information Act 1982	34
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	34
FRD 22H	Statement on National Competition Policy	35
FRD 22H	Application and operation of the Protected Disclosure Act 2012	35
FRD 22H	Application and operation of the Carers Recognition Act 2012	Nil
FRD 22H	Details of consultancies over \$10,000	31-32
FRD 22H	Details of consultancies under \$10,000	33
FRD 22H	Disclosure of government advertising expenditure	31
FRD 22H	Disclosure of ICT expenditure	33
FRD 22H	Statement of availability of other information	34

Legislation	Requirement	Page reference
FRD 24D	Reporting of office-based environmental impacts	85-88
FRD 25C	Victorian Industry Participation Policy disclosures	31
FRD 29B	Workforce Data disclosures	27-30
SD 5.2	Specific requirements under Standing Direction 5.2	100
Compliance attestation and declaration		
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	100
SD 5.2.3	Declaration in report of operations	4
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	39
Other requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	59
SD 5.2.1 (a)	Compliance with Ministerial Directions	59
SD 5.2.1 (b)	Compliance with Model Financial Report	59
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11A	Disclosure of Ex gratia Expenses	73
FRD 21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the Financial Report	73
FRD 103F	Non-financial physical assets	54
FRD 110A	Cashflow statements	44
FRD 112D	Defined benefit superannuation obligations	50
Legislation		
Sustainability Victoria Act 2005		5,22
Environment Protection Act 1970		5
Freedom of Information Act 1982		34
Building Act 1993		34
Financial Management Act 1994		4,39,40,46,73,100
Victorian Industry Participation Policy Act 2003		31
Protected Disclosure Act 2012		35
Privacy and Data Protection Act 2014		34

Appendix 2: Office based environmental performance

10 August 2018

**Independent Verification Statement:
Greenhouse Gas Operational Emissions 2017-18**

ARUP

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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 organisation's operational Greenhouse Gas (GHG) emissions for the period 1st of July 2017 to 30th of June 2018. 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. 24D Reporting*. Sustainability Victoria has voluntarily included certain scope 3 emission sources beyond the requirements of FRD No. 24D 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. 24D.

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. 24D

On behalf of Arup,



Rob Turk
Associate Principal
Melbourne, Victoria



Appendix 3: Office based environmental impacts

Environmental Aspect ¹	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18
Energy	Office tenant light and power (OTLP) use per THC ²	Megajoules per THC	3,760	3,742	3746	3426	3533
	Office tenant light and power use per FTE ³	Megajoules per FTE	4,159	3,839	4074	3642	3902
	Total Electricity use OTLP	Megajoules	473,733	437,821	445,738	430,539	438,153
	Use per square metre of office space	Megajoules per m ²	244	224	228	221	225
	Total Green Power	%	100%	100%	100%	100%	100%
	Base building apportioned electricity use	Megajoules	344,962	328,043	313,182	312,487	256,558
	Base building apportioned natural gas use ⁴	Megajoules	264,451	164,334	242,643	198,360	161,695
	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	126	121	109.61	103.29	84.09
	Total GHG emissions associated with apportioned gas use	Tonnes of CO ₂ -e	15	9	13.40	11.01	8.94
Paper ⁵	Use per THC	Reams per THC	5.2	5.2	4.7	4.1	4.7
	Use per FTE	Reams per FTE	5.8	5.3	5.1	4.4	5.2
	Recycled content	Percentage total	94%	100%	100%	100%	100%
	Total use	Reams	655	606	563	515	583
	Paper GHG emissions	Tonnes of CO ₂ -e	2	2	2	2	2

Environmental Aspect ¹	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18
Waste ⁶	Generated per THC	Kilograms per THC	57.0	56	42	32	42
	Generated per FTE	Kilograms per FTE	63.0	58	45	42	46
	Organics per FTE	Kilograms per FTE	13.9	15.37	14	8	6
	Recyclables per FTE	Kilograms per FTE	44.7	36.92	23	19	35
	Landfill per FTE	Kilograms per FTE	4.3	5.58	8	8	4
	Organics	Total kg to processor	1,589	1,753	1533	891	694
	Recyclable materials	Total kg to processors	5,093	4,211	2549	2245	3977
	Landfill	Total kg to landfill	494	636	876	900	505
	Total recycled (incl Organics)	Percentage	93%	90%	82%	78%	90%
	Waste GHG emissions	Kilograms	593	764	1227	1260	707
Water	Total apportioned water consumption ⁸	Kilolitres	1000	702	1011	920	1266
	Apportioned water consumption per THC	Kilolitres per THC	7.94	6	8.50	7.32	10.21
	Apportioned water consumption per FTE	Kilolitres per FTE	8.78	6.15	9.24	7.78	11.27

Environmental Aspect ¹	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18
Transportation ¹⁰	Energy consumption per THC	Gigajoules per THC	4.11	4.25	3.59	2.40	3.65
	Energy consumption per FTE	Gigajoules per FTE	4.54	4.36	3.91	2.55	4.03
	Total energy consumption	Gigajoules	517.48	497.37	427.27	301.81	452.15
	Total vehicle travel by vehicle type ¹⁰	Kilometres	236,808	233,114	204,015	181,169	225,853
	Total associated GHG emissions	Kilograms of CO ₂ -e	34,630	33,284	28,892	20,342	30,475
	GHG emissions/1,000 km travelled	Kilograms of CO ₂ -e	146	143	142	112	135
	Staff Travel associated with agency operations per THC	Kilometres per THC	1879	1992	1714	1442	1821
	Staff Travel associated with agency operations per FTE	Kilometres per FTE	2079	2044	1865	1532	2011
	Total air travel associated with agency operations	Kilometres	220,724	236,255	146,960	43,665	162,570
	Employees regularly using public transport, cycling or walking to and from work	Percentage	89.0%	90.8%	90.1%	89.3%	93.1%
	Employees regularly using more sustainable modes of transport ¹¹	Percentage	28.8%	33.3%	29.1%	26.2%	28.3%
Greenhouse Gas Emissions 15,16,17,18	Total GHG emissions associated with scope 3 energy use ¹²	Kilograms of CO ₂ -e	19,739	18,243	16,096	11,959	12,171
	Total GHG emissions associated with vehicle fleet	Kilograms of CO ₂ -e	34,630	33,284	28,892	20,342	30,475
	Total GHG emissions associated with air travel ¹³	Kilograms of CO ₂ -e	75,830	72,562	43,665	47,547	35,707
	Total GHG emissions associated with waste disposal	Kilograms of CO ₂ -e	593	764	1227	1260	707
	Total GHG emissions from staff commute ¹⁸	Kilograms of CO ₂ -e	120,576	163,394	108,884	107,349	107,918
	Total GHG emissions associated with scope of operational activities ¹⁹	Kilograms of CO ₂ -e	559,475	577,715	473,356	442,663	425,013

Notes

1. During FY 2017/18, SV had an average of 406 clients / guest visitors per month
2. THC = Average Total Head Count as of 30 June 2018 which includes contractors employed at Sustainability Victoria. Our contractors work on-site, using many of the same resources as our employees. Temporary agency employees are not included in THC.
3. FTE = Full Time Equivalent staff as of 30 June 2018. Temporary agency employees are not included in FTE. Base building apportioned gas consumption is calculated from net lettable area. With SV occupying 1 floor our apportioned value is 2.9%.
4. One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
5. Waste figures from one-week-a-month measurements taken throughout 2017-18 which is meant to be within ±10% accuracy.
6. Sustainability Victoria has on-site water meters that measure potable and recycled water use within the tenancy. For the purpose of calculating GHG emissions from water, these figures are not used in water reporting because they exclude Sustainability Victoria's apportioned share of base building water use.
7. Total water use figure calculated as an apportioned value (2.9%) based on Net Lettable Area occupied by Sustainability Victoria.
8. As of June 2014, vehicle fleet entirely made up of Hybrid Camrys which use unleaded fuel.
9. Value incorporates staff driving personal vehicles in some instances where fleet vehicles not accessible.
10. More sustainable modes of commuting include: cycling, walking and working from home.

Notes (continued)

11. The treatment of GreenPower changed in FY 2010/11, with GreenPower purchasing no longer considered abatement for Scope 3 emissions. While SV purchased 100% GreenPower, remaining scope 3 associated emissions has been offset through the purchase of an accredited carbon offset product.
12. 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.
13. 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.
14. 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.
15. Emissions from publications are calculated using a methodology developed by The Gaia Partnership using the CO₂ counter technology.
16. 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.
17. GHG emissions from staff commute to and from work was incorporated beginning in FY 2012/13
18. The operational aspects included in the scope of activities for purchasing carbon offsets are: apportioned base building electricity and gas, office tenant light and power, kitchen and vehicle refrigerants, waste to landfill, air travel, public transport, taxi travel, fleet vehicles for work based activities, paper and publications consumption, 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.
19. Total vehicle travel distance was incorrectly reported in 2014/15. The correct value is 234,313km. This does not impact the GHG emissions reported.
20. 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.
21. For the apportioned calculations for 2016/17 electricity and water data was unavailable for quarter four. As such, a daily average was calculated and extrapolated based on the previous three quarters of 2016/17

Appendix 4: Grant allocations

Organisation	ABN/ACN	Description	Payment \$
Australian Packaging Covenant 15/16 Grants Program			
Welvic Australia Pty Ltd	47 121 792 818	APC 15 16 Welvic - installation of a size reduction line, wash dry and sort line and a grinding mill to recycle both flexible and rigid PVC.	63,247
Better Commercial Buildings Grants Program			
Supports commercial buildings to evaluate and implement building energy efficiency improvements.			
Brighton Savoy Motel	49 855 651 575	Evaluate and Undertake Commercial Building Energy Upgrades/Improvements	4,500
Wheeler's Hill Shopping Centre	88 495 960 779	Evaluate and Undertake Commercial Building Energy Upgrades/Improvements	5,000
Building Victoria's Organics Recovery Grant Program			
Supports rural and regional Victoria to recover large quantities of organic waste from landfill and divert organic waste streams to new or existing processing facilities.			
City of Greater Geelong	18 374 210 672	Build a Composting Facility that will recover green organics.	250,000
Community Power Hubs (CPH) Pilot			
Support to deliver pilot Community Power Hubs (CPH) located in Ballarat, Bendigo and the Latrobe Valley to facilitate the development of community energy projects and local capacity.			
Ballarat Renewable Energy and Zero Emissions (BREAZE) Inc	35 704 902 844	Ballarat Community Power Hub	200,000
Bendigo Sustainability Group	92 157 965 158	Bendigo Community Power Hub	200,000
Gippsland Climate Change Network (GCCN)	45 791 072 676	Latrobe Valley Community Power Hub	200,000
Community Sustainability Infrastructure Fund			
Supports Victorian community groups, local government and businesses to achieve improved resource recovery, resource and energy efficiency outcomes or local environmental improvements (infrastructure projects).			
Kia-Ora Piggery Pty Ltd	71 007 178 725	Expansion of waste food de-packaging facility and installation of a methane cogeneration plant.	112,000
Improving Resource Recovery Grant Program			
Supports Local Government waste and education projects to improve resource recovery from kerbside services.			
Bass Coast Shire Council	81 071 510 240	Reducing Contamination in Holiday Home Kerbside Bins in Bass Coast.	5,015.45
City of Greater Bendigo	74 149 638 164	Introduction and Promotion of Recycling at Recreation Reserves.	6,300
City of Port Phillip	21 762 977 945	Recovering More Electronic Waste in the City of Port Phillip.	7,500
Mount Alexander Shire Council	12 966 477 062	Worm Habitat Street – Food Scraps Diversion Trial.	8,500
Moyne Shire Council	69 056 376 923	Bincentives – Incentives for the Appropriate Disposal of Food Organics.	8,500
South Gippsland Shire Council	67 816 770 786	Improving Resource Recovery in South Gippsland.	8,500
Wangaratta Rural City Council	67 784 981 354	Don't Bag It! – Reduce the Level of Soft Plastic Contamination in Kerbside Recycling Bins.	8,500
Wyndham City Council	38 393 903 860	Wyndham City School Recycling Home Detectives Program.	6,000

Organisation	ABN/ACN	Description	Payment \$
Investment Support Grants			
Supports Victorian small-medium enterprises (SMEs) with the acquisition, lease or development of resource recovery infrastructure (including expansion) as well as activities that lead to investment in plant and equipment.			
Bullock Proof Energy	86 621 238 551	Fund the enabling works of an on-farm biodigester of animal biosolid waste to turn into electricity for on-farm use and supply to the grid.	30,000
Circular Food Pty Ltd	27 609 937 215	Fund research and development necessary to enable Circular Food to develop (1) its pilot plant facility and later (2) a full-scale commercial plant in Somerton.	10,000
Close the Loop Pty Ltd	91 095 718 317	Support Close the Loop to acquire new equipment and undertake further product testing to enable the use of soft plastics waste as an asphalt additive.	30,000
Envirostream Australia Pty Ltd	41 617 582 420	Support the purchase and installation of equipment and supporting infrastructure to enable the recovery of lithium-ion batteries.	40,000
GDP Industries	96 004 811 116	Fund a polystyrene compactor to increase annual throughput.	40,000
Polymer Holdings	84 791 086 341	Support the installation of an expanded production line and shredder to enable the reprocessing of plastic strapping sourced from three local users.	35,000
Quantum Recycling Solutions Pty Ltd	85 168 147 680	Support the upgrade of Quantum's equipment to double e-waste processing capacity.	10,000
Resource Resolution Pty Ltd	91 128 694 600	Support and speed up the Resource Resolution anaerobic digestion project to financial close.	40,000
Litter and Illegal Dumping Grants			
Supports land managers to address the issues of littering in retail areas affecting waterways and the illegal dumping of waste in green spaces.			
Baw Baw Shire Council	47 274 526 683	Security Poles and Cameras to Help Reduce Illegal Dumping	7,000
Cardinia Shire Council	32 210 906 807	Reducing Illegally Dumped Rubbish through CCTV and Signage	1,000
City of Kingston	80 640 377 247	Don't Waste Our Green Wedge – Monitor Local Dumping Hot Spots	1818.18
Corangamite Shire Council	87 042 518 438	Lismore - Street Litter Cleanup	3,000
Greater Shepparton City Council	59 835 329 843	Bin It for A Greater Shepparton	3,000
Greater Shepparton City Council	59 835 329 843	Changing Illegal Dumping Behaviour	3,000
Yarra City Council	98 394 086 520	Keeping a Retail Strip Litter Free	3,000

Organisation	ABN/ACN	Description	Payment \$
Local Government Energy Saver Program			
Stream 2 – supports resource constrained regional councils to undertake Detailed Facility Energy Audits on local government-owned facilities and buildings.			
Stream 3 – supports resource constrained regional councils to implement energy efficiency and renewable energy upgrades on priority local government-owned facilities and buildings.			
Bass Coast Shire Council	81 071 510 240	Stream 2 - Detailed Facility Energy Audits at Council owned facilities.	19,983
Corangamite Shire Council	87 042 518 438	Stream 2- Detailed Facility Energy Audits at seven Council owned facilities.	24,968
Glenelg Shire Council	48 217 289 490	Stream 2 - Detailed Facility Energy Audits - Portland Heating Precinct.	25,000
Horsham Rural City Council	37 019 724 765	Stream 2 - Detailed Facility Energy Audits at four Council owned facilities.	6,000
Murrindindi Shire Council	83 600 647 004	Stream 2 - Detailed Facility Energy audits at 14 Council owned facilities.	12,090.91
Northern Grampians Shire Council	42 592 845 947	Stream 2 - Detailed Facility Energy Audits at five council owned facilities in St Arnaud and Stawell.	8,000
Pyrenees Shire Council	94 924 356 468	Stream 2 - Detailed Facility Energy Audits at four Council owned facilities.	10,000
Southern Grampians Shire Council	55 135 536 448	Stream 2 - Detailed Facility Energy Audits at four Council owned facilities.	10,000
Swan Hill Rural City Council	97 435 620 016	Stream 3 - Support for installation of battery storage on Beverage and Splatt Streets in Swan Hill.	20,155.50
Towong Shire Council	45 718 604 860	Stream 2 - Detailed Energy Audits on 15 Council owned facilities.	13,753
Yarriambiack Shire Council	24 640 824 591	Stream 3 Facility Upgrades - Provision of lighting upgrades at Yarriambiack Shire facilities.	6,000
Love Food Hate Waste Local Activity Grants			
Supports delivery of local activities aimed at raising community awareness of the problem of food waste, and how to avoid it.			
East Gippsland Shire Council	81 957 967 765	Interactive Food Waste Avoidance Stalls at East Gippsland Farmers Markets	1,000
Glen Eira City Council	65 952 882 314	Food Waste Event with Pop-up Community Education Resource	2,000
Grampians Central West Waste and Resource Recovery Group	65 670 620 479	Grampians Fork to Fork - Food Waste Avoidance Workshops	10,000
Melbourne Farmers Markets	89 164 325 222	Love Food Hate Waste Information Hub on Wheels	8,000
Monash City Council	23 118 071 457	Scrap Food Waste in Monash	7,000
St Aloysius Catholic Primary School Queenscliff	97 818 060 760	St Aloysius Love Food Hate Waste – Food Waste Events and Activities	2,000
St Louis de Montfort's Primary School	81 310 880 462	All You Need is Love Food Hate Waste – Garden to Kitchen Program	10,000

Organisation	ABN/ACN	Description	Payment \$
Whitehorse City Council	39 549 568 822	Quest to Find DUELI's Best Waste-Free MasterChef	5,000
Worawa Aboriginal College Limited	18 371 286 615	Connecting to Tucker: Walking in Two Worlds in the Garden Education Program	7,000
Youth Food Movement Australia Pty Ltd	65 161 778 123	Give Food Waste the Flip: Food Waste Messaging for Millennials	10,000

Research and Development – Recovered Glass Fines and Flexible Plastics

Supports Research Institutes in partnership with Industry to undertake research projects that lead to an increase in the use of recovered glass fines and/or, flexible plastics in new or existing products or processing approaches.

University of Melbourne	84 002 705 224	Lightweight Concrete R&D Grant Project - Melbourne University in partnership with PrefabAus are undertaking research to test the application of recycled glass in lightweight concrete blends.	75,000
Monash University	12 377 614 012	Monash University in partnership with Potters are investigating the novel applications for the utilisation of waste glass fines in 3D printing. This project will assess different waste glass composites in 3D printing approaches and their viability as components of advanced printed structures.	45,000
Monash University	12 377 614 012	Monash University in partnership with Integrated Recycling Pty Ltd are conducting research to determine what other recycled plastics are suitable and cost effective to make composite recycled plastic sleepers.	100,000
RMIT University Latrobe Street	49 781 030 034	Glass Repurposing R&D Grant Project - RMIT in partnership with Alex Fraser and Mark Douglas Designs are undertaking research to investigate innovative alternative processing approaches to yield high quality glass fines for use in innovative applications.	74,338
Swinburne University of Technology	13 628 586 699	Glass in Pavement R&D Grant Project - determine the suitability of glass fines as a supplementary material with recycled crushed rock in cement treated bound pavement applications.	50,000
Swinburne University of Technology	13 628 586 699	Plastics and Glass in Footpaths R&D Grant Project - to create a new blend of concrete footpaths that reduces the overall carbon footprint.	50,000
Victoria University	83 776 954 731	Structural Plastics R&D Grant Project – research to explore concept development for reprocessing glass fines as an additive to recycled plastic to enhance the plastic mechanical and fire properties.	74,847

Organisation	ABN/ACN	Description	Payment \$
Resource Recovery Infrastructure Fund Infrastructure Grants - Round 1 (Metropolitan Melbourne)			
Supports Metropolitan councils and private enterprises (businesses) for resource recovery infrastructure development (collection, sorting or processing).			
Future Metals Recyclers Melbourne Pty Ltd	83 129 407 790	Upgrade of the Cardinia Transfer Station to improve the current site layout, infrastructure and site resource recovery. Improve operations to increase patronage and the tonnage of materials recycled at the site.	25,000
Knox Transfer Station	70 605 920 175	Knox Transfer Station Process Engineered Fuel - KTS Recycling will establish a Process Engineered Fuel (PEF) manufacturing facility at the Knox Transfer Station.	394,000
Melton City Council	22 862 073 889	Melton Transfer Station Upgrade - substantial and holistic upgrades to the facility's layout, capacity and recycling infrastructure, to enable greater recovery of recyclables from material received from residents and Council contractors.	40,000
Polymeric Powders Company Pty Ltd	67 161 458 171	Production of Tyre Crumb Derived Composite Material - to set up a commercial scale machine producing Polymeric Powder/Polyolefin composite material pellets.	45,000
Polytrade Pty Ltd	26 068 669 349	Polytrade Dandenong Mixed Glass Fines Processing Project - to install new machinery at the Dandenong plant with the ability to sort and clean the 3-8mm fraction of glass fines.	200,000
Recycling Solutions Capital (Vic) Pty Ltd	67 615 581 890	Advanced Recycling of Flexible Plastic by Polymer Type - establish an advanced plastics recycling facility located in Somerton, Victoria.	150,000
Red Horizon Pty Ltd (Trading as Enrich 360)	44 128 581 868	Enrich 360 Onsite Food Organic Waste Recovery Program - to establish an onsite food organic waste recovery program at 18 enrich360 customer sites.	60,000
Reground Pty Ltd	16 614 738 840	Coffee Grounds and Flexible Plastics Recycling Expansion - infrastructure to allow an expansion of the current collection of spent coffee grounds from retail and manufacturing venues, includes a concurrent flexible plastics recycling collection.	22,000
Repeat Plastics Australia Pty Ltd (Replas)	86 096 146 342	Recycling Plant Expansion - to purchase and install new re-processing equipment in recycling plant to increase plastics recycling from post-consumer waste.	60,000
Repurpose-It Pty Ltd	85 617 095 413	Washing Plant 460 Cooper Street - development of a washing plant to enable increased resource recovery.	192,500
Van Schaik Bio Gro Pty Ltd	83 067 853 098	Timber Waste Resource Recovery Project - establish a waste timber drop off recovery facility in Cooper Street, Epping.	145,000
Westall Road Resource Recovery Pty Ltd	52 617 438 785	Establish a Resource Recovery Centre at 12-14 Westall Road, Springvale, focusing on materials including green/timber waste, hard waste, C&D waste, and recyclables.	15,000
Yarra City Council	98 394 086 520	Closing the Loop on Yarra's Food Waste - introduction of kerbside food collection in the City of Yarra.	185,000

Organisation	ABN/ACN	Description	Payment \$
Rural and Regional Landfill Support Grants Program			
Supports regional and rural councils with the development of transfer station/resource recovery centres (TS/RRC) on the sites of closing landfills.			
Alpine Shire Council	14 821 390 281	Alpine Shire Myrtleford Landfill - Funding to support transfer station developments at Myrtleford and Mount Beauty transfer stations to enable the closure of the Myrtleford landfill.	365,000
Social Impact Investment for Sustainability			
Provides financial assistance to existing, investment-ready social enterprises to scale-up (expand) their operations. The program is administered in collaboration with Foresters Group.			
Western District Employment Access Inc (WDEA)	18 781 854 750	Upgrade of their existing e-waste recycling facility.	20,000
Nightingale Housing Ltd	93 609 876 879	Commissioning of a software system that encourages property developers to consider ecological design principles and allows successful projects to inform future projects.	50,000
Ceres Inc	60 133 437 610	Ceres Fair Food - website and app (improve ease of ordering/reordering of Fair Food and provide for a food swap to reduce food waste). Establishment of indoor vertical farm.	91,583
Social Value from Waste Grants Program			
Supports social enterprises or charities to buy, install, commission or upgrade equipment to increase the recovery of materials from the waste stream.			
Outlook (Vic) Inc	84 168 589 417	Outlook Officer E-Waste Facility	300,000
SV Business - Boosting Productivity Business Capability Grants			
Supports industry associations, business networks and Registered Training Organisations to build the knowledge and skills in energy efficiency among small and medium sized businesses (SMEs).			
Australian Industry Group (Ai Group)	76 369 958 788	Provide a multi-learning pathway on energy efficiency for SME manufacturers. Business employees will participate in workshops, one on one mentoring and business coaching.	50,000
Australian Refrigeration Association	87 185 638 921	Install remote monitoring equipment on refrigeration systems in retail food services and instruct business operators in how to apply the data in managing energy use. The data collected will be used to benchmark the energy performance of refrigeration units.	90,000
Bayside City Council	65 486 719 651	Provide training and workshops in energy efficiency for operations managers of aged cared facilities in the City of Bayside.	10,000
Melbourne Polytechnic	50 230 165 243	In partnership with Energy Skills Australia (E-OZ), develop and pilot a new Certificate IV in Energy Management and Control to qualified electricians. The course will address skills gaps in energy management for mainstream electricians and provide a career pathway.	90,000
Nillumbik Shire Council	64 487 894 794	Develop an energy efficiency training package that will be delivered to operators of food service providers in the Shire of Nillumbik. The training package will include on-site energy audits and assistance to set energy-related goals.	30,000

Organisation	ABN/ACN	Description	Payment \$
Vegetable Growers Association of Victoria (AUSVEG VIC)	80 851 723 010	Provide vegetable growers with high energy use with onsite training and access to an online energy efficiency calculator. The project will benchmark energy use in the industry and support measurable energy saving outcomes for the participating growers.	90,000

SV Business - Boosting Productivity Energy Assessment Grants

Supports businesses spending over \$20,000 a year on energy, to commission a basic or detailed energy assessment to identify and implement energy improvements.

Alba Cheese Pty Ltd	44 619 302 420	Detailed Energy Assessment	9,700
A Maze N Things Pty Ltd	77 088 692 773	Basic Energy Assessment	4,500
Apollo Bay Fishermen's Co-Operative Society Ltd	78 719 750 424	Basic Energy Assessment	6,000
Apollo Bay Hotel	93 757 087 803	Basic Energy Assessment	4,000
Asahi Premium Beverages Pty Ltd	49 077 568 480	Detailed Energy Assessment	5,500
Bayley House	79 262 349 071	Basic Energy Assessment	2,000
BBS Flooring Products Pty Ltd	79 100 338 896	Detailed Energy Assessment	5,563.11
Bradwell Dairy Co Pty Ltd	54 591 594 427	Basic Energy Assessment	1,375
Bright Brewery Australia Pty Ltd	19 619 100 239	Detailed Energy Assessment	5,700
Britannia Metal Industries	88 449 150 183	Detailed Energy Assessment	2,370
Britton Timbers Processing Pty Ltd T/A Premier Wood Machining Services	27 612 238 829	Detailed Energy Assessment	2,000
Bromac Farming	13 876 683 776	Detailed Energy Assessment	1,500
Burra Foods Pty. Ltd.	58 007 119 904	Detailed Energy Assessment	15,000
Burton's Supa IGA	78 004 413 325	Detailed Energy Assessment	5,400
Butler Market Gardens	22 605 710 521	Detailed Energy Assessment	6,000
Caltex Australia Petroleum Pty Ltd	17 000 032 128	Basic Energy Assessment	800
Caps & Closures	89 114 161 527	Detailed Energy Assessment	3,000
Casalingo Smallgoods (South Food Group Pty Ltd)	97 006 891 292	Detailed Energy Assessment	7,600
Catalent Australia Pty Ltd	61 007 219 990	Detailed Energy Assessment	12,289.91
CERES Inc	60 133 437 610	Detailed Energy Assessment	3,000
Chobani Pty Ltd	53 096 731 467	Detailed Energy Assessment	9,600
Clydebank Dairy	54 743 030 909	Detailed Energy Assessment	6,250
Composite Materials Engineering (CME)	23 007 128 289	Detailed Energy Assessment	5,396
Coolibah Herbs	97 112 969 103	Detailed Energy Assessment	5,000
Corafield Farms	45 431 718 859	Basic Energy Assessment	1,500
Croc's Playcentre and Café Narre Warren	43 282 196 523	Basic Energy Assessment	2,000
Delatite Hotel	33 254 937 947	Detailed Energy Assessment	3,886.36
Denim 108 Pty Ltd (Nobody Denim)	69 108 248 022	Detailed Energy Assessment	14,150

Organisation	ABN/ACN	Description	Payment \$
Eirenclare Farms	22 478 737 815	Detailed Energy Assessment	1,500
EP Robinson Pty Ltd	44 004 942 572	Detailed Energy Assessment	8,875
Flexible Drive Pty Ltd	15 004 922 570	Detailed Energy Assessment	4,160
Fragapane Farms	46 125 098 640	Detailed Energy Assessment	6,000
Gazzola Farms Pty Ltd	69 082 093 570	Detailed Energy Assessment	6,000
GCP Applied Technologies	41 080 660 117	Detailed Energy Assessment	2,890.91
Geelong Glass and Aluminium Pty Ltd	78 005 452 193	Detailed Energy Assessment	6,000
Green Acres Golf Club Pty Ltd	93 415 734 767	Detailed Energy Assessment	5,008
Hardwick Meat Works Pty Ltd	48 001 844 734	Detailed Energy Assessment	6,600
healthAbility Victoria	32 180 310 839	Detailed Energy Assessment	2,000
Hindustan Imports	91 005 971 979	Basic Energy Assessment	990
H W Greenham & Sons Pty Ltd	26 054 461 415	Detailed Energy Assessment	13,500
Idyll Wine Co Pty Ltd	20 609 850 508	Detailed Energy Assessment	10,407.27
Input Fitness (Style @ Sur Pty Ltd)	89 612 339 910	Detailed Energy Assessment	3,700
Islamic Museum of Australia	88 561 206 382	Basic Energy Assessment	12,052.50
King Valley Wines Pty Ltd	17 057 554 408	Detailed Energy Assessment	8,500
Lion Pty Ltd	50 128 004 268	Detailed Energy Assessment	13,500
Mason Brothers Vegetable Farms	52 050 047 997	Detailed Energy Assessment	4,000
MCC Meats	11 796 545 159	Detailed Energy Assessment	2,000
Merriwa Industries Pty Ltd	81 069 213 878	Detailed Energy Assessment	5,430
Moondarra Cheese Pty Ltd	87 087 762 927	Detailed Energy Assessment	5,900
NCI Packaging	68 004 328 241	Detailed Energy Assessment (Preston site)	3,497.50
NCI Packaging	68 004 328 241	Detailed Energy Assessment (Tullamarine site)	2,782
Neerim District Health Service	77 228 450 675	Detailed Energy Assessment	1,818.18
Omniblend Pty Ltd	94 548 671 724	Detailed Energy Assessment	12,000
Oztek Holdings Pty Ltd	83 080 871 343	Detailed Energy Assessment	6,250
Palace Cinemas Pty Ltd	84 158 240 549	Detailed Energy Assessment (Balwyn site)	5,750
Patties Foods Pty Ltd	62 007 157 182	Detailed Energy Assessment	12,975
Peter Schreurs & Sons	89 685 663 119	Detailed Energy Assessment	4,000
Phillip Island Adventure Resort (Christian Youth Camps Limited)	69 095 681 342	Detailed Energy Assessment	7,150
Piovillico Flowers Pty Ltd	76 105 605 892	Detailed Energy Assessment	7,300
Planex Sales Pty Ltd	55 921 612 267	Detailed Energy Assessment	9,400
Prom Country Cheese	76 548 865 082	Detailed Energy Assessment	5,000
Prydes Confectionery Victoria Pty Ltd	53 158 479 673	Detailed Energy Assessment (Broadmedows site)	5,280
Prydes Confectionery Victoria Pty Ltd	53 158 479 673	Detailed Energy Assessment (Knoxfield site)	3,960

Organisation	ABN/ACN	Description	Payment \$
Quality Bakers Australia Pty Ltd (Goodman Fielder)	45 004 205 449	Detailed Energy Assessment	5,000
Royal Automobile Club of Victoria (RACV) Ltd	44 004 060 833	Detailed Energy Assessment	17,373
Rawson Caravan Park	84 007 448 508	Detailed Energy Assessment	4,450
Red Spice Road Pty Ltd	46 126 393 182	Basic Energy Assessment	2,000
Rutherglen IGA	88 099 141 358	Basic Energy Assessment	5,000
Southern Ocean Mariculture Pty Ltd	39 072 939 210	Detailed Energy Assessment	3,000
Stomping Ground Brewing Company	27 601 405 814	Detailed Energy Assessment	2,386
Sun Pharma Australia	64 130 119 603	Detailed Energy Assessment	2,265
The Leslie Manor Trust	37 900 372 172	Detailed Energy Assessment	6,400
Visy Packaging Pty Ltd	13 095 313 723	Detailed Energy Assessment	14,400
Vitality Brands Worldwide Pty Ltd	98 100 896 651	Basic Energy Assessment	4,890.91
Womersleys Mitre 10 Chelsea Heights	85 952 810 260	Basic Energy Assessment	4,475
Yarragon Hotel	48 141 280 078	Basic Energy Assessment	1,800

SV Business - Boosting Productivity Gas Efficiency Grants

Supports businesses to fund up to 50% of the cost of a gas-related project that will improve energy productivity and affordability, support jobs and reduce greenhouse gas (GHG) emissions.

Alba Cheese Pty Ltd	44 619 302 420	Heat recovery from ricotta vats and refrigeration plant. Steam pipe insulation to minimise heat loss.	20,000
Asaleo Care Australia Pty Ltd	62 004 191 324	Removable insulation covers on pipe fittings.	15,000
Austral Hotel Trading Pty Ltd	64 167 649 452	Upgrades to enable fuel switching, eliminating reliance on LPG bottled gas.	40,000
Australian Tallow Producers Pty Ltd	19 084 467 795	Capital upgrades to reduce heat losses in the steam distribution system.	20,000
Catalent Australia Pty Ltd	61 007 219 990	Capital equipment upgrade to reduce gas used for humidity control of production rooms.	50,000
Hardwick Meat Works Pty Ltd	48 001 844 734	Installation of a new 2,000kW hot water boiler and a new 55,000 litre hot water tank.	20,000
Industrial Carbons (Australia) Pty Ltd (HotShots BBQ fuel)	47 006 408 680	Installation of an efficient new furnace to dry BBQ briquettes.	20,000
Kagome Foods Australia Pty Ltd	98 144 695 867	Capital upgrades to four steam boilers, including improved metering, monitoring and control of the gas and water used.	15,530
Katunga Fresh Produce Pty Ltd	49 371 983 392	Expansion of operations from 12 to 16ha. An additional 6MW boiler and buffer tanks.	20,000
Orora Limited	55 004 275 165	Replacement of inefficient space heaters which heat entire more efficient radiant tube heaters.	20,000
Pental Products Pty Ltd	68 103 213 467	Replacement of a 4MW gas boiler with a new 1.5–2MW boiler.	20,000
Phillip Island Adventure Resort (Christian Youth Camps Limited)	69 095 681 342	Replace three old and inefficient dryers with three energy efficient dryers.	2,802

Organisation	ABN/ACN	Description	Payment \$
Planex Sales Pty Ltd	55 921 612 267	Installation of heat recovery and air curtains to improve the gas efficiency of powder coating operations.	28,288
Polydip Coatings Pty Ltd	81 163 863 572	Installation of air curtains to improve the gas efficiency of powder coating operations.	34,168
San Remo Fishermans Co-Op	97 808 159 028	Replacement of 10 inefficient commercial fryers with newer faster energy efficient fryers.	18,181.82
Woods Furniture Pty Ltd	41 005 463 383	Installation of air curtains on cure and dry off ovens used to powder coat furniture.	15,000

SV Business – Boosting Productivity Materials Assessment Grants

Supports businesses to engage a consultant to identify material efficiency improvements and opportunities to lower business costs and divert materials sent to landfill.

Alba Cheese Pty Ltd	44 619 302 420	Detailed Materials Assessment	6,800
Hart Marine	54 006 188 898	Detailed Materials Assessment	9,900
Natures Best	83 009 527 342	Detailed Materials Assessment	4,000

Victorian Litter Innovation Fund – Round 1

Supports the Victorian community to deliver innovative solutions that prevent and reduce the impact of litter and illegal dumping through a partnership approach.

Australian Marine Mammal Conservation Foundation Ltd	92 164 506 745	Bin Not Bay Marine Environment Litter Project	1,980
Banyule City Council	16 456 814 549	Bell Street Mall Litter Prevention Culturally Different Project	2,000
Bellarine Catchment Network (formerly Swan Bay Integrated Catchment Management Committee)	79 770 540 247	Caring for Our Bays and Be a Hero Litter Awareness	2,000
Brimbank City Council	35 915 117 478	Innovate to Abate - Litter Reduction in the City of Brimbank	1,300
City of Greater Dandenong	41 205 538 060	MSNOBUTTS Campaign Outfits	1,900
City of Port Phillip	21 762 977 945	Penguin Friendly Events	985
City of Whittlesea	72 431 091 058	Mobile Pop Up Transfer Station	1,500
East Gippsland Shire Council	81 957 967 765	Smart Takeaway Coffee Project	1,290
Greater Shepparton City Council	59 835 329 843	Shepparton Solar Bin Project	2,000
Half Moon Bay Life Saving and Swimming Club Inc.	21 412 481 916	Beach-Art-Waste and Environment Program	10,000
Mt Buller & Mt Stirling Resort Alpine Management Board	44 867 982 534	Reducing Litter at Remote Locations on Mt Stirling Pilot Study	1,000
Phillip Island Nature Park	88 940 950 118	Turn the Tide – Action Plans Program in partnership with schools	2,000
San Remo Foreshore Committee of Management Inc	45 503 524 393	Pelican Reflecting on Plastic Usage and Litter Generation	1,000
South Gippsland Shire Council	67 816 770 786	Cigarette Butt Litter Education and Enforcement Project	1,400
Southern Cross Recycling Group Pty Ltd	60 152 667 215	SMART Public Place Clothing Recycling Banks	1,000

Organisation	ABN/ACN	Description	Payment \$
Streamline Media and Communications Group Pty Ltd	33 128 151 191	What Drains to the Bay Video	2,000
Tangaroa Blue Foundation	88 138 636 521	Working Together to Target the Source of Marine Debris and Litter	1,978.98
Wyndham City Council	38 393 903 860	Don't Dump It, Recycle It	2,000
Yarra City Council	98 394 086 520	Getting Litter out of our Waterways for Good	1,800

Victorian Litter Innovation Fund – Round 2

Supports the Victorian community to deliver innovative solutions that prevent and reduce the impact of litter and illegal dumping through a partnership approach.

Bendigo Senior Secondary College	41 577 528 076	Keeping it Clean	5,000
Connectsus Pty Ltd	15 611 684 309	Binasys: Ultrasonic Bin Level	15,000
Gannawarra Shire Council	98 993 182 937	Murray River Parks Litter Reduction	18,000
Grampians Central West Waste and Resource Recovery Group	65 670 620 479	Be a Litter Superhero! - Roadside Litter Campaign	20,000
Keep Victoria Beautiful	96 835 319 495	Regional Victorian Database of Community Litter Projects	14,000
Macedon Ranges Shire Council	42 686 389 537	Pick Up or Pay	9,600
Maribyrnong City Council	86 517 839 961	Don't Mess with our Parks	2,000
Merri Creek Management Committee	13 025 599 242	Addressing Coburg's Pollution Hotspot	18,000
Monash City Council	23 118 071 457	CALD Dumped Rubbish? Not CALD at Fault!	13,050
Northern Bay College - Goldsworthy	74 467 470 916	NBCg Community Clean Up	16,000
Southern Cross Recycling Group Pty Ltd	60 152 667 215	Mobile Community Resource Recovery Hubs	10,000
Warrnambool City Council	44 594 264 321	Bag it, Bin it	20,000
Wyndham City Council	38 393 903 860	Building a Cleaner Wyndham	15,000

Waste to Energy Infrastructure Fund

Supports the installation of new, or upgrades to, waste to energy facilities to process organic waste in Victoria.

Resource Resolution Pty Ltd	91 128 694 600	Resource Resolution W2E Infrastructure Project - Biogas Renewables will build an anaerobic digester to divert local commercial food waste and other organics from landfill. The facility will generate heat and electricity for use on site and to export excess to the grid. The processed organics will be used as fertiliser for local businesses.	380,000
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Appendix 5: Attestation for compliance with Ministerial Standing Direction

Sustainability Victoria Financial Management Compliance Statement 2017-18

I, Heather Campbell, on behalf of the Board, certify that Sustainability Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Heather Campbell
Chair, Sustainability Victoria

20 September 2018

Appendix 6: Glossary of acronyms

Acronym	Description
AAS	Australian Accounting Standards
AAPA	Australian Asphalt Pavement Association
AASB	Australian Accounting Standards Board
ABBA	Australian Biomass for Bioenergy Assessment
ABN	Australian Business Number
can	Australian Company Number
AREMI	Australian Renewable Energy Mapping Infrastructure
ARF	Audit, Risk and Finance
ARRB	Australian Road Research Board
AUD	Australian Dollars
BAU	Business as Usual
Capex	Capital Expenditure
CEO	Chief Executive Officer
CSIRO	Commonwealth Science and Industrial Research Organisation
DELWP	Department of Environment, Land, Water and Planning
DTF	Department of Treasury and Finance
EMS	Environmental Management System
EPA	Environment Protection Authority Victoria
EUF	Environmental Upgrade Finance
E3	Equipment Energy Efficiency Program
EO	Executive Officer
FMA	Financial Management Act
FRD	Financial Reporting Direction
FT	Fulltime
FTE	Fulltime Equivalent
FY	Financial Year
GHG	Green House Gases
GST	Goods and Service tax
HS&W	Health, Safety and Welfare
IBAC	Independent Broad-Based Anti-Corruption Commission
ICT	Information and Communications Technology

Acronym	Description
IT	Information Technology
KMP	Key Management Personnel
LSL	Long Service Leave
MEPS	Minimum Energy Performance Standards
NABERS	National Australian Built Environment Rating System
NGO	Non-Government Organisation
OH&S	Occupational Health and Safety
Opex	Operating Expenditure
OTLP	Office tenant light and power
PD	Protected Disclosure
PPE	Property, Plant and Equipment
RIS	Regulation Impact Statement
PVC	Polyvinyl Chloride
SME	Small to Medium Enterprise
SRO	State Revenue Office
SV	Sustainability Victoria
SWRRIP	Statewide Resource and Recovery Infrastructure Plan
TCV	Treasury Corporation of Victoria
THC	Total Head Count
VECN	Victorian E-waste Infrastructure Network
VGPB	Victorian Government Purchasing Board
VIPP	Victorian Industry Participation Policy
VLAA	Victorian Litter Action Alliance
VPS	Victorian Public Sector
VPSC	Victoria Public Sector Commission
WDEA	Western District Employment Agency
WRRG	Waste Resource Recovery Group

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