



# Sustainability Victoria Annual Report

2018–19



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Sustainability Victoria Annual Report 2018–19

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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 2019.

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

Heather Campbell  
Chairperson  
Sustainability Victoria

# Year in Review

## 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 2018-19 reporting period was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change and Minister for Solar Homes.

## 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 Jobs, Precincts and Regions, 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

In 2018-19 Sustainability Victoria continued to play a pivotal role helping Victorians take action on climate change and delivering the Victorian Government's plan to build a more resilient and sustainable waste and resource recovery sector.

This year, SV worked collaboratively with industry and local government to develop a medium-to-long term strategy for investments and has invested \$19M in various recycling programs.

These investments targeted new and expanded recycling infrastructure, developed new markets for recycled materials, positioned government to procure recycled materials and continued community education on recycling behaviours.

Through research and industry partnerships, we established new markets for recycled materials and we welcomed the opening of Repurpose It, Alex Fraser Glass Recycling and Advanced Circular Polymers.

Victoria diverted 69 per cent of its waste from landfill. This achievement is a reflection of our efforts in the waste and resource recovery system which places our State in the top 3 across the country.

Focussing on community first, SV supported the Zero Net Emissions Transition (Z-NET) pilot with the Hepburn Shire community. This is Victoria's first shire-wide emissions profile and transition plan with the aim of reaching 100 per cent renewable electricity supply, zero-net energy and zero-net emissions by 2030. SV also continued to work with three Community Power Hubs in the Latrobe Valley, Ballarat and Bendigo. The purpose of these hubs is to empower communities toward achieving self-owned and operated independence and to raise capital for renewable energy projects.

The effects of climate change are felt most by vulnerable Victorian communities. SV continues to deliver the Victorian Healthy Homes and the Latrobe Valley Home Energy Upgrade programs to support people who are most in need to reduce energy costs or to improve the thermal comfort of their homes. Throughout the year, we increased the energy efficiency of 676 homes across Victoria making these houses warmer in winter and reducing energy bills.

SV had significant impact in the household chemical collection space. More than 5,500 householders attended Detox Your Home events across the state, which is more than a 40 per cent increase from the previous year. This has resulted in the collection of 97 tonnes of chemicals at mobile events and 351 tonnes at permanent sites.

On the education front, we expanded the Love Food Hate Waste campaign which delivered in-depth food waste education for Victorian households and hospitality businesses, produced new school education materials on food waste and launched two national research projects into household food waste. Over 1,500 households joined our four week Love a List Challenge to reduce food waste at home through better grocery shopping behaviours, achieving the objective of increasing waste reduction behaviours at home in direct response to the campaign.

SV supported the Victorian Government's announcements of bans on single-use lightweight plastic bags and e-waste to landfill, with awareness and education campaigns across the state. The campaigns helped sensitise the Victorian community to the bans and encouraged positive behaviour change in this space.

This year, 675 schools signed up for the ResourceSmart Schools program providing young Victorians a head start in understanding their impact and how they can make a difference in their community while saving resources and money for the school. From a Victorian business recognition perspective, the Premier's Sustainability Awards was delivered successfully this year with a record number of 141 entries. These initiatives reflect our efforts in building the capability of Victorian schools, communities, businesses and industry to minimise waste, save energy and water, promote biodiversity, reduce greenhouse gas emissions and embed sustainability in everything they do.

Looking ahead, we are working closely with the Department of Environment, Land, Water and Planning to deliver the Circular Economy policy that will inform and transform the way we produce, consume and reuse materials in Victoria.

Together with our many partners, collaborators and supporters across Victoria, we will continue to achieve our goals against our SV2020 strategy which will build a stronger and more resilient future for Victoria – the State of the Future.



**Heather Campbell**  
Chair  
Sustainability Victoria

**Carl Muller**  
Interim Chief  
Executive Officer  
Sustainability Victoria

# Performance Reporting (Non-Financial)

## Priority One: Help Victorians act on Climate Change

We are committed to creating a thriving Victoria and shaping the state of the future by helping Victoria respond to climate change. Throughout 2018-19 we worked closely across all levels of government, and industry, and alongside numerous communities in Victoria to increase real impact to achieve the *Victoria Climate Change Act 2017* target of zero net greenhouse gas emissions by 2050.

### Empowering communities to take action

Victoria is establishing itself as a climate change leader, becoming the first state government in Australia to legislate for net zero greenhouse gas emissions by 2050. In the spirit of engaging whole communities to realise their ambition to act on climate change, we supported the Zero Net Emissions Transition (Z-NET) pilot with the Hepburn Shire community. This is Victoria's first shire-wide emissions profile and transition plan with the ambitious aim of reaching 100 per cent renewable electricity supply, zero-net energy and zero-net emissions by 2030.

We continued to invest in building capability in the Latrobe Valley, Ballarat and Bendigo Community Power Hubs towards achieving independence and raising capital for renewable energy projects. The Community Power Hub pilot in the Latrobe Valley, Ballarat and Bendigo resulted in 12 projects being implemented attracting \$2.3 million of investment, installing over 1.25MW of Solar PV and resulting in over \$435,000 of annual cost savings to the local host organisations.

We encouraged new TAKE2 pledges, Victoria's collective climate change pledge initiative, and supported pledging individuals, businesses and governments to reduce their emissions as part of Victoria's contribution to keeping global warming to under two degrees. TAKE2 membership now totals 11,997 Victorian individuals, 49 local governments representing more than 83 % of Victoria's population, 715 businesses employing more than 400,000 people across Australia servicing more than 16 million customers; and 188 community organisations with more than 187,000 members. The combined annual turnover of all TAKE2 members represents almost \$278 billion across Australia.

We initiated and supported energy audits on 189 council-owned facilities across 22 regional local governments on community buildings such as libraries, civic centres, town halls, swimming pools, senior citizens' centres, child health centres, caravan parks, work depots, and arts centres. These audits valued at \$469,000, have provided participating councils with business cases for energy upgrades which have the potential to deliver annual savings in electricity costs of \$1.6 million. These council audits also identified 459 energy projects that would pay for themselves within five years. In addition, SV supported Victorian councils to undertake energy upgrades on 17 community buildings in 2018-19 which will see savings of over \$80,000 in electricity costs annually within a five-year period.

With our delivery partners, we increased the number of schools actively participating in the ResourceSmart Schools Program across Victoria to 675 and helped them collectively save over 9 million kilowatt hours of energy. We are focused on building the capability of the Victorian school community to minimise waste, save energy and water, promote biodiversity and reduce greenhouse gas emissions. Collectively the schools in the program reduced greenhouse emissions by 12,844t CO<sub>2</sub>-e, and 9,084,748 kWh of energy was saved.

We also launched the inaugural ResourceSmart Schools Energy Champions challenge to encourage primary and secondary schools across Victoria to reduce their school's energy usage and impact on the environment. Through the 12-month challenge, 113 schools

saved a substantial amount of money on their energy bills. Fifteen participating schools were awarded \$1,000 and two schools awarded \$5,000 which was then used for ongoing sustainability initiatives.

### Cutting power bills for households and protecting those most vulnerable to climate change

This year, SV helped Victorians take greater control of their household bills and made homes healthier and more efficient. This was achieved through supporting low income and socially disadvantaged households by improving thermal comfort. We improved the energy efficiency of 676 low income households in Victoria delivering these upgrades through two comprehensive programs.

As part of the Victorian Government's Home Energy Assist package, our Victorian Healthy Homes Program upgraded 196 homes this year. The program is an Australian-first randomised controlled trial looking at the health benefits of improved energy efficiency and warmth of homes. The upgrades valued at up to \$3,500 are free to eligible households and focus on providing a warmer, drier indoor environment during winter in a more energy efficient home.

As part of the Latrobe Valley Home Energy Program we upgraded 480 homes. This program will help up to 1,000 low income householders in the Latrobe, Baw Baw and Wellington local government areas by making practical home energy upgrades. Each home receives a home energy upgrade specific to their needs and can include solar PV, insulation, draught proofing, window shades, lighting, fixed heating and other appliances. The upgrades are free to households and worth up to \$4,500. As well as reducing energy bills for local households, the program has engaged local businesses to deliver the initiative.

This year using our First Rate 5 assessment tool, SV issued 95,059 certificates for compliance with 6-star energy efficiency ratings in new homes and extensive renovations. This handy tool allows assessors to design and recommend cost efficient house designs that exceed the minimum 6-star rating. By continuing to improve the First Rate 5 software features, we enable more assessors to design houses that exceed the minimum 6-star standard, improving the energy efficiency of the houses built in Victoria. Over the life of these houses we estimate that Victorian households will save more than \$42.4 million (or \$11.5 million at a 7 per cent discount rate) and reduce residential sector greenhouse gas emissions by 62,100 tonnes.

We also announced Metricon, Stockland and SDJ Homes as the building companies who will develop energy-efficient, environmentally sustainable and affordable homes for sale in Melbourne's high-growth suburbs. This forms part of our Zero Net Carbon Homes pilot program with the first display home opening in October 2018 by SDJ Homes. The houses will incorporate energy-efficient design features including ceiling and wall insulation, double glazing, water heating, rooftop solar panels and lighting systems to cut energy consumption. Modelling undertaken by SV found these purpose-built homes could halve energy costs and cut greenhouse gas emissions by six tonnes annually compared to a standard new home.

In August 2018 SV established Solar Victoria, in a very short space of time, as a dedicated business unit to deliver the Solar Homes program. The Solar Homes program makes solar energy more affordable to many more Victorian households through a rebate of up to \$2,225 on installation of solar PV systems and a \$1,000 rebate on installation of solar hot water systems. The targets at the outset were to assist Victorian home owners with 24,000 solar PV rebates and 6000 solar hot water rebates. 24,000 Solar PV rebates were paid by 26 June. 163 Solar Hot Water (SHW) rebates were delivered in line with lower demand for this rebate.

## Boosting business productivity and reducing the use of energy

SV supported and guided Victorian businesses through a range of measures to better manage their energy costs.

Direct support has been provided to 300 businesses through the Boosting Business Productivity program. The program supports businesses to access expert advice and support needed to cut energy and materials costs, reduce greenhouse emissions, and improve energy productivity. To date, 162 businesses will have saved 16,354t of greenhouse gas emissions (GHG), 95t of waste to landfill and \$4.4m annually. These savings and productivity improvements are set to rise as businesses continue to act on the expert advice provided to them through the program which includes training, events, and information resources.

Refrigeration systems can be energy intensive and costly - to help Victorian businesses manage these costs, we delivered 10 free refrigeration efficiency masterclasses across the state to 174 participants and produced an e-learning video of the course for all Victorian businesses. We produced further e-learning videos for a gas efficiency masterclass to help businesses understand how they can decrease their energy use and costs with knowledge and confidence.

Through our TAKE2 program which supports action to keep global warming to under 2 degrees, we have worked with over 50 large businesses including Carlton United Breweries and the iconic Melbourne Cricket Ground (MCG). This includes referrals to the Business Renewables Centre - Australia, energy efficiency support and other grants. This has enabled them to act on their TAKE2 pledges, reduce emissions and in turn influence their customers and stakeholders.

We further supported business in Victoria through funding to assist 50 commercial buildings to undertake energy audits and retrofits to improve their National Australian Built Environment Rating System (NABERS) rating by an average of 1 star. Twenty-one of these buildings to date have successfully completed their retrofits. Victorian Government investment of \$1.4 million will leverage over \$13 million of energy efficiency retrofits to these buildings to improve their NABERS star rating.

We are enabling businesses to borrow money for energy efficiency or renewable energy projects and make repayments through the local council charge. Thirty-four local councils are now facilitating Environmental Upgrade Finance (EUF) lending and 71 projects worth \$30 million have been financed as a result.

## Priority Two: Help Victorians to use resources wisely

We delivered the Victorian Government's Recycling Industry Strategic Plan (RISP) over the past year as part of the government's focus on progressing towards a circular economy. China's restriction on importing recyclable materials required a rethink of our nation's decade-long reliance on exporting thousands of tonnes of plastic, paper and cardboard. The RISP sets out a pathway, a suite of programs and supporting local investment in response to changes in global trade arrangements.

2019 saw some changes and investigations responding to the recycling challenges affecting Victorians, Australians and the global recycling sector. The Victorian Auditor-General's Office (VAGO) released their audit report Recovering and reprocessing resources from waste. Sustainability Victoria also provided comprehensive information to the parliamentary inquiry into waste and resource recovery.

Both reviews provide a welcome opportunity to further focus our work to ensure that we are providing high-quality outcomes for Victoria. We are also working collaboratively with Infrastructure Victoria as they develop their advice to government on waste infrastructure in Victoria.

Working collaboratively, SV is committed to developing a sound waste and recycling sector with government, local government, industry and the community to achieve better recycling outcomes for the state.

## Transforming the recycling industry and keeping our priority materials out of landfill

With a strong industry development focus, we implemented a suite of waste and resource recovery initiatives to continually develop and grow Victoria's capacity to respond to emerging global trends. Through our work in the waste and resource recovery system, Victoria's diversion rate (waste diverted from landfill) of 69 per cent was in the top three of all states and territories, just behind South Australia and ACT. Metropolitan Melbourne accounts for around 80 per cent of waste generated in Victoria.

We worked closely with the Department of Environment Land Water and Planning (DELWP) to develop a government strategy for investment in resource recovery initiatives to deal with the Chinese restrictions over the medium to longer term and are now delivering the majority of the RISP. This year we invested \$19M in recycling programs tripling our original target.

Through delivering the RISP, we were the catalyst for an additional co-investment of \$46m from councils and businesses, more than doubling our original target of \$21 million.

Eight million of the \$25 million Resource Recovery Infrastructure Fund (RRIF) which targets new and expanded recycling infrastructure in Victoria, was specifically targeted at materials impacted by China's restrictions, namely plastics, paper, cardboard and glass. In 2018-19, we received 53 new applications in addition to the 47 projects already underway across the state. This \$25 million investment has leveraged a further \$80 million in private sector and local government investment.

We also worked closely with industry to further develop the resource recovery market. Round one of the Research Development & Demonstration (RD&D) Grants program closed in September 2018, with a total of 38 applications received and 13 projects receiving funding.



Outcomes from this work this year included:

- 190 Duratrack railway sleepers made from 85 per cent recycled plastic were installed at Richmond Station in June 2019. The sleepers will be monitored for performance over the next 18 months. SV has supported the development of this product since 2016. The Minister for Environment Energy and Climate Change and Minister for Solar Homes the Hon Lily D'Ambrosio MP and Minister for Public Transport the Hon Melissa Horne MP attended the installation site. The story received significant media coverage.
- Swinburne University in partnership with Wyndham City Council and Polytrade Recycling constructed a concrete footpath using recycled plastic and glass, the site is currently being monitored to understand performance in a real-world application.
- Downer's soft-plastics bitumen additive 'Reconophalt' has now transitioned from a trial product to a product it supplies to councils across Victoria. SV funded the demonstration trial in Craigieburn. This was the first demonstration project SV has funded through the Research Development & Demonstration Grants (RD&D) program.

Round two of the RD&D program closed in May 2019, with a total of 39 applications received. Our E-waste Infrastructure Support Program administers grants to help local governments upgrade e-waste collection and storage facilities across Victoria. In 2018/19, 122 projects commenced, with 59 Local Council and 3 Alpine Resort Management Boards receiving \$10,589,388 funding to upgrade their existing e-waste collection facilities at Transfer Stations and Resource Recovery Centres across metro, regional and rural Victoria.

The program exceeded its number of completed upgrades target for 2018/19, with 33 infrastructure upgrades installed by 30 June 2019. The remainder of the upgrades are on target to being completed in 2019-20. These upgrades will ensure residents have access to a facility that can safely receive discarded electronics which will be stripped of components for reprocessing into new technology or sold on the second-hand goods market.

To encourage further development of the waste and resource recovery industry, SV provided investment advice and infrastructure development funding to assist small and medium-sized businesses to overcome barriers to enter the sector. We awarded 11 small and medium sized businesses grants (total value \$315,245) to encourage innovation, boost industry development and position Victoria as a dynamic industry leader for further investment. Through these we have leveraged an additional \$3.53 million in private sector investments covering a variety of waste material streams - organics, e-waste and plastics.

We continued to support social enterprises through our Social Impact Investment Fund (SIIS). This fund provides a combination of grant and low interest loans to investment ready social enterprises aimed at the creation of new jobs and training opportunities. It enables a more effective response to climate change, avoiding and recovering waste, and improving resource efficiency in the Victorian community. Recipients included Green Collect Limited, Christie Centre Inc, Grow Lightly and P&G Tube

## CASE STUDY – REPURPOSE IT



Repurpose IT is one of 14 successful projects awarded under the first round of the Resource Recovery Infrastructure Fund (RRIF) which commenced in 2017. SV contributed \$500,000 to Repurpose IT's \$8.5m washing plant built at the Cooper Street site. The Minister for Energy, Environment and Climate Change and Solar Homes, the Hon Lily D'Ambrosio MP launching the state-of-the-art washing facility on 26 March 2019. The project is the first of its kind in Australia, allowing the recovery of construction and demolition (C&D) waste previously destined for landfill. The facility has the capacity to divert more than 500,000 tonnes of C&D waste from landfill and save more than 84,000 tonnes of CO2 per year. It has also resulted in the creation of 22 ongoing full-time equivalent roles (along with 150 local jobs during the construction phase).

Repurpose IT has partnered with the North Eastern Program Alliance, responsible for level crossing removals in Melbourne's north-east, as the nominated collection site taking more than 80,000 cubic metres worth of excavation spoil including construction and demolition waste and rail ballast. Repurpose IT has also partnered with Victorian Government projects including the Level Crossing Removal Project, Metro Trains, North East Link, CityLink Widening and Western Distributor to integrate waste into road and rail infrastructure across the state.

*"We're supporting large-scale infrastructure projects like this one to reduce Victoria's dependence on landfills, create new jobs and drive investment", Minister for Energy, Environment and Climate Change and Minister for Solar Homes the Hon Lily D'Ambrosio MP.*

## Educate the community in waste minimisation and correct disposal

In 2018-19 we expanded the Love Food Hate Waste (LFHW) campaign to deliver in-depth food waste behaviour change programs to both Victorian households and hospitality businesses, as well as produce new school education materials on food waste and launch two national research projects into household food waste. Over 1,500 households joined our four week Love a List Challenge to reduce food waste at home through better grocery shopping behaviours, achieving the objective of increasing waste reduction behaviours at home in direct response to the campaign. The post-challenge survey results showed that 87 per cent of participants adopted new waste reduction behaviours. Forty per cent stated they continued their new behaviours beyond the four-week challenge and over 90 per cent reported their food waste had reduced, with 75 per cent seeing a 'substantial' reduction in their household food waste as a result of the Love Food Hate Waste campaign.

We also supported the announcement of the Victorian Government's ban on single-use lightweight plastic bags, through the creation and delivery of the Better Bag Habits campaign. The campaign was designed to help the Victorian community to remember to bring their own reusable bags when shopping and build 'better bag habits' well ahead of the ban coming into effect in 2019-20. Directed at 30-45 year-old Victorians already trying to use reusable bags – but forgetting their bags approximately 42 per cent of the time – the focus was on being prepared. Two pieces of research were completed to help inform the campaign, as well as support DELWP with their business engagement activities. The basis of the campaign was the creation of a simple mnemonic to the tune of "Heads, shoulders, knees and toes", called "Bag, wallet, keys and phone" and shared across a range of communication channels with a cumulative audience reach of over 5.92 million Victorians. It will continue in 2019-20 closer to the ban coming into effect in November 2019.

The Victorian Government introduced a ban on E-waste going to landfill on July 1, 2019. To prepare the community for the change, SV conducted a successful campaign to raise the Victorian community's understanding of what E-waste is (anything with a plug, cord or battery) and where to safely dispose of it. The campaign included extensive engagement with local government, including support in the form of educational materials and grants to activate the program in a tailored way at their local level.

Through our free Detox Your Home program the Victorian community was able to safely and conveniently dispose of 97 tonnes of toxic and hazardous household chemicals. Last year more than 5500 householders attended these popular mobile collection events across the state seeing a 40 per cent increase in patronage. This service directly prevents chemicals from being poured down drains, polluting waterways, harming wildlife and vegetation, contaminating drinking water, making rivers and beaches unsafe for swimming and putting children at risk of poisoning. In addition, we also offered 30 permanent sites located at transfer stations/resource recovery centres for paint, batteries and lamps where we collected 740 tonnes last year.

Through the Victorian Litter Plan, Sustainability Victoria was provided \$100,000 to work closely with local governments and land managers to build their capacity and capability to address litter and illegal dumping issues in green spaces. Amongst other interventions, seven local governments from across Victoria were funded up to \$10,000 within a 12-month period to address priority litter issues including roadside cigarette butts, plastic and micro plastic litter, illegal dumping and litter in coastal areas and waterways, and installation of CCTV and signage to educate and deter litter and illegal dumping.

The Victorian Litter Innovation Fund (LIF) provided support to fund innovative approaches to litter and dumping delivered through a partnership approach. The Fund is a \$700,000 package, with grants being offered over two rounds of \$350,000 each and grants of up to \$20,000 available. Twenty-five projects were selected from the 111 applications received across two categories: Innovative projects in the Yarra River and Port Phillip Bay catchment, and Innovative projects in any area in Victoria outside the Yarra River and Port Phillip Bay catchment. Projects focused on addressing illegal dumping, marine debris, cleaning up waterways, working with schools, cigarette butts, local law enforcement, marine wildlife, parks, plastics and ocean pollution, signage, video, smart bins and solar bins. 174 new partnerships were developed as a result of the Fund with ongoing positive social impacts extending to greater motivation for other waste reduction projects.

As part of the Waste Education in Healthcare program, SV worked in collaboration with Department of Health and Human Services, to enable better management of clinical, general and recycling waste in hospitals through the development and promotion of waste audit guidelines and Clinical Waste Guidelines and FAQs. A partnership was also established with Vinyl Council to increase recovery of PVC at an additional 29 hospitals in 2018-19.

## Delivering the next steps in statewide waste planning

We built on the 30-year Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP) put in place to manage Victoria's waste and reduce the amount of materials going to landfill to address the changing needs of Victorians.

SV's central reporting repository was expanded to receive, validate, analyse, model and produce reports to provide the evidence base to support effective and integrated strategic planning of hazardous waste statewide.

We developed a profile of the current Victorian Hazardous Waste System describing tonnages, trends management pathways, infrastructure availabilities, emerging issues and high risks which will set Victoria up for success over the long-term.

We enhanced the Victorian Waste Data System by conducting new landfill audits to improve estimates of waste materials going to landfill. We have also implemented new data quality assurance checks on incoming recycling industry survey data. This has allowed us to more easily identify and clarify survey responses for inclusion in overall state reporting. Data collected from industry and local governments is published in the Victorian Recycling Industry Annual Report 2017-18 and the Victorian Local Government Annual Waste Services Report 2017-18 as well as on our interactive waste data dashboards, available on the SV website. In addition to these annual reports, we have piloted and released the Recovered Resources Market Bulletin, a monthly release throughout 2019 which aims to track trends in quantities and commodity value for recovered materials in local and international markets and provides key industry insights on the challenges faced.

We released the *Better Practice Guide for Waste Management and Recycling in Multi-Unit Developments*, and complementary on-line tools and supported DELWP to incorporate its implementation through the State Planning Framework. In addition, we collaborated with other government departments and agencies to put in place robust approaches that are consistent with the strategic directions of the SWRRIP. These include a new agreement with the Victorian Planning Authority, initial work on waste infrastructure to scope Infrastructure Victoria's work on addressing long term infrastructure challenges across the Waste and Resource Recovery system, Circular Economy cluster working groups and an asbestos group.

## Enabling delivery

A work environment where SV staff are highly engaged is critical to our ability to achieve our vision of a sustainable, thriving Victoria. Seven core enablers empowered SV staff to collaborate, innovate and achieve lasting impact throughout last year. These enablers direct our business operations in order for us to effectively deliver programs and services. Our enabling services strengthen collaboration through fit-for-purpose platforms and processes, innovate by exploring solutions with stakeholders, and provide the data and evidence to know where SV can make the biggest impact for Victorians and whether that impact has been successful. Our employees are supported to make value for money decisions and to create a constructive workplace culture of strong leadership, employee engagement and high performance.

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

### Building Staff capability

- Achieved an employee engagement score of 79%, the highest ever recorded.
- Developed and implemented a dedicated leadership development program that addressed key capabilities relating to leading toward our preferred culture.
- Continued to build our project management capability, supporting 40 employees to attain Certificate IV in Project Management.

### Providing Evidence and Research

- Blueprint of high level ideas was developed to visualise SV's role in transitioning Victoria to a Circular economy and Net Zero Emissions.
- A Behaviour Change Lead was appointed to build our capability in this area. Workshops were run to build staff capability and enable SV to incorporate best practice behaviour change approaches into program design and delivery. Several social research projects were conducted to provide the data and evidence to inform effective program design and achieve the desired behavioural outcomes, including research supported by our partnership with Behaviour Works Australia, a leading behaviour change research organisation. A new Research & Evidence Advisory Panel and Knowledge Bank were established to improve the quality and value of the research that underpins our programs
- SV became a member of the national Fight Food Waste Cooperative Research Centre (CRC) to further strengthen the research and evidence base that underpins our work to reduce food waste.

### Organisational Excellence:

- Successfully implemented a project management tool that facilitates centralised performance tracking and reporting.
- Updated our Protective Data Security Plan based on an information value assessment, a risk assessment and an updated security policy.
- Integrated the risk assessment process into project planning to enhance decision-making and project governance.
- Conducted a review of internal targets to ensure we actively monitor our environmental impact and continuously improve on our sustainable practices.

### Put the customer first

- Maintained our reputation for stakeholder engagement excellence. We were seen as relevant to 89 per cent of stakeholders, 79 per cent had a good experience with us in the past year and a record 70 per cent viewed SV as delivering on its promises, double the targeted improvement of five per cent.
- We've grown SV's social media followers by 26 per cent to help build a social movement of change and engaged with 14 per cent of Victorians through online channels
- We engaged four external ambassadors over the last year to help SV reach new audiences as part of our media strategy.

## Performance against outcome performance measures

SV2020 ORGANISATIONAL PERFORMANCE MEASURES	Unit of measure	2015–16 Baseline	2018–19 Target	2018–19 Actual
<b>Help Victorians to act on climate change</b>				
A third of Victorians will recognise that climate change is a significant issue facing Victoria	per cent	30%	33% by 2020	34%
Our programs will have helped Victoria's households, schools and businesses save \$10 million on their annual energy bills	\$	\$0	\$500,000	\$11,418,052
The greenhouse gas abatements achieved through our programs will have increased to 240,000 Tonnes CO2 Equivalent per year	t CO2-e	12,000	120,000	139,625
*We will have helped 2000 of Victoria's vulnerable households reduce their energy bills through sustainable housing upgrades	number	0	810	676
<b>Using our resources sustainably</b>				
We will have added enough new capacity to Victoria's waste recycling sector to recycle almost 400,000 tonnes of waste	tonnes	7,500	150,000	676,057
We will have helped local governments redirect almost 100,000 tonnes of organic material from landfill	tonnes	20,000	20,000	37,717
**By 2020 we will have directly increased Victoria's resource recovery rate by at least 2% and will have influenced an additional 2% through our work		67%	71% by 2020	67% (in 2016–17)
<b>Enabling delivery</b>				
SV will have engaged with 10% of all Victorians through our online platforms	per cent	6%	9%	15%
85% of all our stakeholders will have acknowledged that SV is relevant to the work their organisations perform	per cent	82%	84%	89%
74% of all SV employees feel engaged with the work SV does	per cent	62%	72%	79%

\*The outcome is a combination of Sustainability Victoria's Home Energy Assist Healthy Homes Program and the Latrobe Valley Home Energy Upgrades program. The combined target was 810 homes. SV achieved 190 of 250 upgrades through the Home Energy Assist Healthy Homes Program and 480 out of 560 homes in the Latrobe Valley Home Energy Upgrades program. Targets were not achieved in full due to consistent (20–30 days) delays caused by inclement weather and complex health and safety issues.

\*\*The current resource recovery rate of 67% is from 2016–17. The rate for 2017–18 is to be tabulated and the data verified in September 2019. Even with this data lag, SV is unlikely to meet the target of 71% by 2020 due to the China Ban. Recent interventions by SV will only be realised post June 2020.



# Performance Reporting (Financial)

## Five year financial summary

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

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Income from Government	166,377	40,591	33,778	30,132	32,610
Total income from transactions	170,768	43,898	36,661	32,695	35,181
Total expenses from transactions	(153,560)	(40,645)	(32,881)	(33,480)	(40,335)
Net result from transactions	17,208	3,248	3,780	(785)	(5,154)
Net result for the period	16,993	3,170	4,056	(934)	(5,231)
Net cashflow from operating activities	38,591	4,099	6,363	(6,485)	(2,845)
Total assets	84,214	36,372	32,676	28,319	31,169
Total liabilities	35,949	5,100	4,574	4,273	6,190

## 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 2018-19, SV recorded a net result from transactions of \$17.2 million, which is an increase of \$13.9 million compared to 2017-18. This is due to increased funding during the financial year to deliver phase 1 of the Solar Homes Rebate package and some underspend in other projects. Income from transactions increased with a \$126 million (310%) and total expenses from transactions increased \$112 million (278%)

Total income in 2018-19 of \$170.7 million increased mainly due to Phase 1 of the Solar Homes Rebate package and other increases received from Sustainability Funds grants. There was an overall increase in expenditure for 2018-19 of \$112.9 million, from an increase in program expenditure by \$106 million and employee benefits increasing by \$5.2 million as FTE has increased by 60.7 to 174 of which 33.2 FTE were for the delivery of the Solar Homes Rebate package.

### Financial position – balance sheet

Total assets increased by \$47.8 million to \$84.2 million primarily from an increase of \$49 million in cash because of receiving cash in advance to be expended on government priorities in future periods. Total liabilities of \$35.9 million has increased mainly in accruals and provisions for the Solar Homes Rebates package totalling \$20.4m.

### Cash flows

SV's net cash inflow from operating activities increased by \$34.4 million to \$38.5 million. This increase 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 reduce to approximately \$52 million in 2019-20 and then reduce to \$34 million in 2020-21 and \$33 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.

In 2018-19 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 2018-19 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 2019 which may significantly affect operations in subsequent year.

This is disclosed in Note 8.5 of the financial statements and relates to the finalisation of Phase 1 of the Solar Homes Rebates package.

# Governance and organisational structure

## Our Board

The Board met nine times during 2018-19. The attendance of individual members is set out below.

Member	Meetings attended
Heather Campbell (Chair)	9
Kane Thornton** (Deputy Chair)	2
Peter Castellas	6
Sarah Clarke	8
Vicky Darling	9
Megan Flynn	9
Judith Harris	9
Jennifer Lauber Patterson	8
Kerry Osborne	8

\*\* Kane Thornton took leave from the Board in October 2018 to avoid the potential for perceptions of conflict of interest in relation to Solar Victoria due to his role as CEO of the Clean Energy Council.

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 2018-19 the Board held one meeting in regional Victoria, visiting North East Victoria connecting with regional stakeholders including community groups, local government and the Waste Resource and Recovery Groups in that region.

To oversee implementation of Solar Victoria, the Board established the Solar Victoria Steering Committee.

Other priorities for the Board were:

- ▶ continuing focus on strategic risk and implementation of risk appetite for decision making;
- ▶ the development of SV's next three-year strategy to commence in July 2020; and
- ▶ a continuing focus on good governance, including a Board workshop on managing conflicts of interest in October.

## Our Board members

### Heather Campbell, Chair

Heather Campbell has more than 25 years of experience leading the management of environmental and sustainability issues and brings experience of conservation, waste minimisation and energy efficiency.

Currently the CEO of Bush Heritage Australia, Heather was the CEO of Landcare Australia and held executive and senior managerial roles with Amcor, CSIRO, Federation Centres, Ridley AgriProducts and Cheetham Salt.

Heather also has extensive experience as a board director and advisory committee member across government, education and the not for profit sector. Heather is a member of the Board's People Culture and Remuneration Committee and attends the Audit Risk and Finance Committee as an observer.

### 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. Kane took leave from the Board from October 2018 to avoid potential perceived conflicts of interest arising from his role as Chief Executive of the Clean Energy Council and the Board's management of Solar Victoria.

### Peter Castellas

Peter Castellas has more than 20 years' experience in environment and sustainability. He is the Chief Executive of Tasman Environmental Markets. From 2013 -2018, Peter was 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. Other previous roles include Director of Sustainability, Carbon and Cleantech at Deloitte Touche Tohmatsu 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.

Peter holds a Bachelor of Education (Environmental Studies) and a Post Graduate Certificate in Cleaner Production and Environmental Engineering.

### Sarah Clarke

Sarah Clarke has broad multi-industry experience including in sustainability, public affairs, stakeholder engagement, and ethics.

She is currently the Group General Manager, Sustainability & Reputation at Mirvac Group, which has been ranked #1 in real estate by the prestigious Dow Jones Sustainability Index and #1 ESG company in Australia by J.P. Morgan.

Sarah received a Master of Arts (Professional & Applied Ethics) from the University of Melbourne, is a graduate of the Prince of Wales Business & Sustainability Leadership course from the University of Cambridge, and holds a Bachelor of Arts (Hons, English) from James Cook University.

She is attuned to integrity, leadership, purpose, and trust. Sarah is a member of the Board's People Culture and Remuneration Committee.

### **Vicky Darling**

Vicky Darling is CEO, Volunteering and Contact ACT. She has over 17 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.

Vicky was a Member of the Queensland Parliament for six years from 2006 to 2012 including one year as Minister for Environment during which she negotiated with local government and industry to pass Queensland's first waste reduction and recycling legislation and new litter laws.

Vicky also serves on the boards of the Australian Cervical Cancer Foundation and the Cultural Facilities Corporation. She has previous committee experience as a member of the Australian Capital Territory Waste Feasibility Study Community Reference Group, Chair of the Queensland Waste and Recycling Expert Advisory Panel, Parliamentary Committees, Budget Estimates Committees and the Far North Queensland Ministerial Regional Community Forum.

Vicky holds a Bachelor of Arts and is a Graduate of the Australian Institute of Company Directors. During the year Vicky was a member of the Board's Audit Risk and Finance Committee and the Solar Victoria Steering Committee.

### **Megan Flynn**

Megan is the Executive Director of Pollination Capital Partners. She was formerly Qantas Group Manager – Environment and Carbon Strategy.

Megan is an experienced business development professional in international and domestic environmental markets and policy whose 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. Judi 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, (2001 – 2015), which is 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 three external boards as non-executive director and advisor.

### **Jennifer Lauber Patterson**

Jennifer Lauber Patterson is Manager Director, Frontier Impact group with 30-year track record in energy and banking with a focus on achieving carbon reduction solutions that help businesses and the economy to move to a net carbon zero community. Jennifer is Chair, Carbon8 that focuses on regenerative agriculture.

Jennifer was ANZ's Director of Electricity, Renewables and Emission in the early 2000's and later in 2010 she commenced a role with NAB as Head of Environmental Treasury Solutions. Jennifer also served on the board of Yarra Energy Foundation for 10 years (with 4 years as Chair), the Head of the Climate Markets Investment Association and as an advisor to the Carbon Market Institution and the Asia Pacific Emission Trading Forum.

Jennifer is a Certified Practicing Accountant and member of the Australian Institute of Company Directors.

## Board committees

The Board has two standing committees, the Audit Risk and Finance Committee and the People Culture and Remuneration Committee. Both these committees have governance and oversight responsibilities under legislation.

In September 2018, the Board formed the Solar Victoria Steering Committee to oversee the establishment of Solar Victoria and delivery of Phase 1 of the Solar Homes rebates program. This Committee will cease operation once transition arrangements are complete. All Board members are members of at least one Board committee.

### Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee comprised the following members in 2018-19

- Kane Thornton, Committee Chair and Deputy Chair of the Board (on leave from October 2018)
- Vicky Darling, Board Member (until October 2018)
- Jennifer Lauber Patterson, Board Member
- Kerry Osborne, Board Member
- Lee Wapling, External Member (acting Chair from October 2018)
- Liza Maimone, External Member

The Chair of the Board Heather Campbell attends Committee meetings as an observer.

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. All members of the Committee are independent within the definition of the guidance on the Standing Direction and are not involved in the day to day management of SV. There are two external members: Lee Wapling, CEO of FMD Financial, and Liza Maimone, Managing Director PwC Australia Consulting.

Vicky Darling resigned from the Committee in October 2018 after joining the Solar Victoria Steering Committee. When Kane Thornton took leave from the Board in October 2018, Lee Wapling became acting Chair and continued in that role until the end of the financial year.

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.

The Committee met six times in 2018-19. Attendance is set out below:

	Position	Meetings attended
Kane Thornton (leave from October 2018)	Chair	2
Lee Wapling (Acting Chair from October 2018)	Independent Member/Acting Chair	6
Vicky Darling (until October 2018)	Board Member	1
Jennifer Lauber Patterson	Board Member	4
Kerry Osborne	Board Member	5
Liza Maimone	Independent Member	3
Heather Campbell	Board Chair (ex officio)	4



## 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 2018-19 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 2018-19 Megan Flynn (Chair), Heather Campbell, Peter Castellas, Sarah Clarke and Judith Harris. There were six meetings. Attendance is set out below.

Committee member	Position	Meetings attended
Megan Flynn	Chair	5
Heather Campbell	Member	6
Peter Castellas	Member	5
Sarah Clarke	Member	5
Judith Harris	Member	6

## Solar Victoria Steering Committee

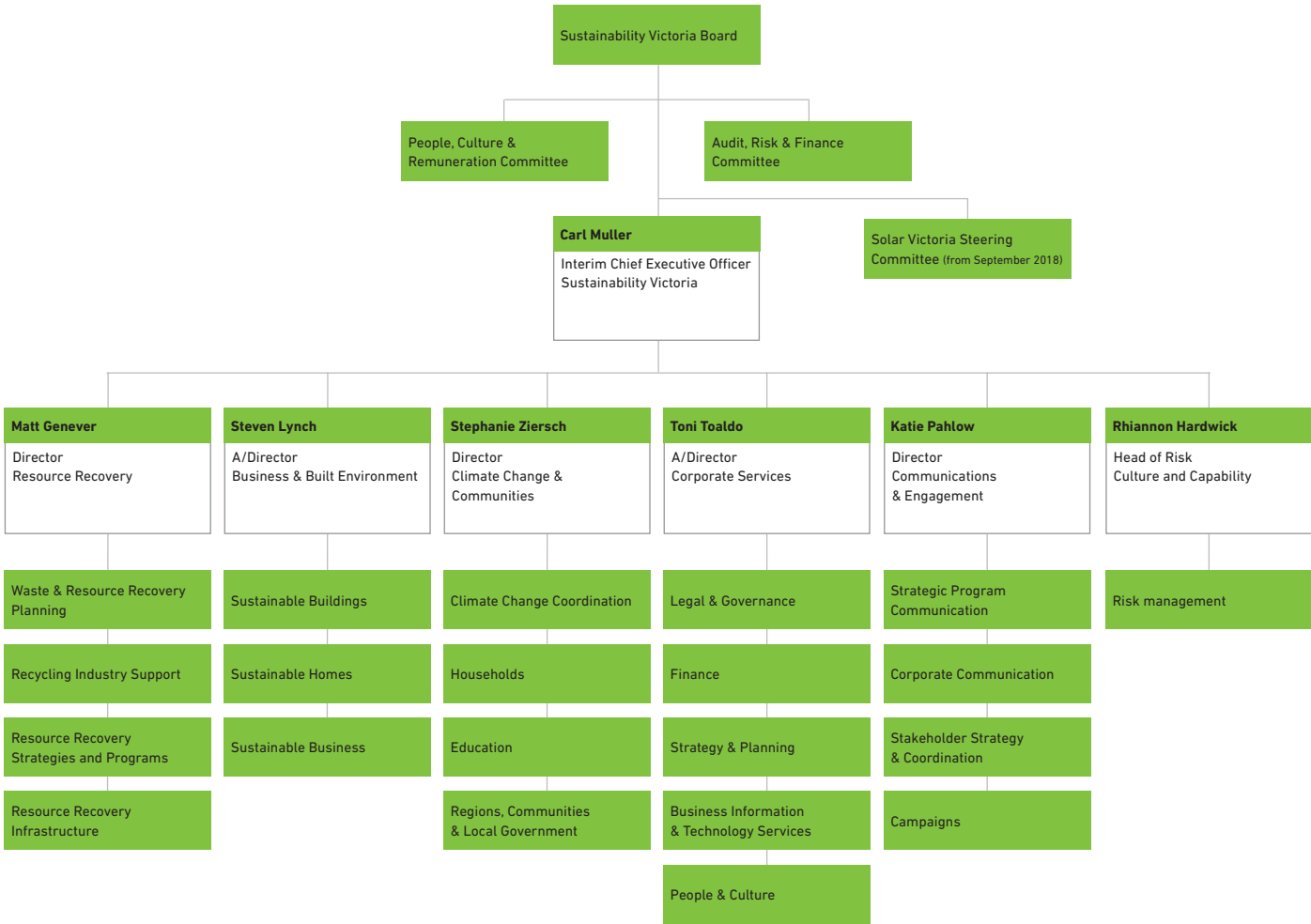
The Solar Victoria Steering Committee was established to oversee the design and implementation of the Solar Homes program. Its responsibilities include:

- › provide advice and make recommendations to Board and management relating to the delivery of the program;
- › monitor progress of the program against milestones and outputs;
- › monitor the financial position of the program;
- › oversee and monitor risks associated with the program.

The Committee met 14 times in 2018-19. Membership and attendance are set out below:

	Position	Meetings attended
Heather Campbell	Chair	14
Judith Harris	Member	10
Vicky Darling	Member	13
Kerry Osborne	Member	13
Jennifer Lauber Patterson (until 26 November 2019)	Member	6

Organisational structure and corporate governance arrangements



# Social and sustainable procurement

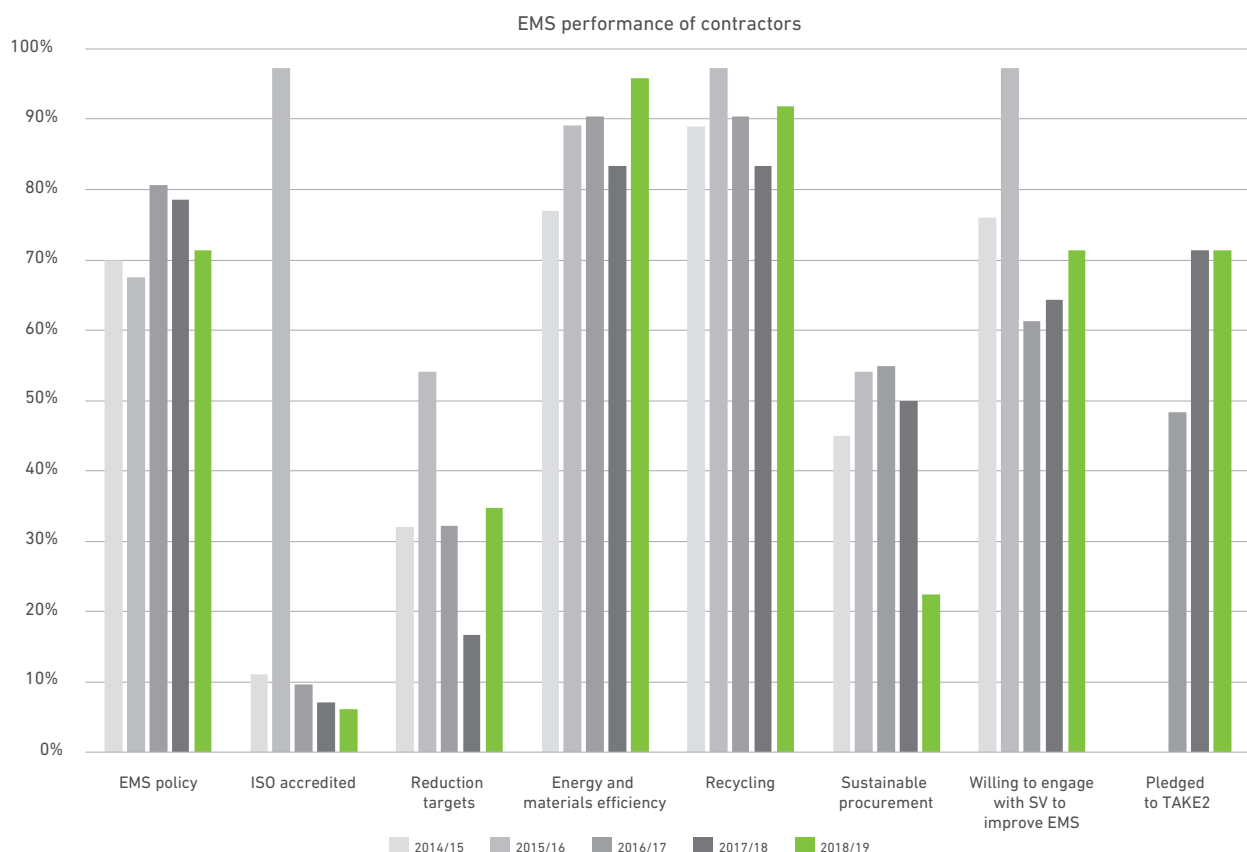
## Social and sustainable procurement 2018-19

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 2018-19 include:

- › ongoing commitment to 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 from local Victorian-based supplier
- › sustainable choices for office supplies (pens etc.)
- › fair trade coffee
- › subsidised bicycle servicing for staff
- › continuing to offer the SV Rail Club offering staff discounted annual Myki passes for public transport
- › 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
- › organisation prizes purchased from local and sustainable sources

We have a mandatory environmental management criterion in all competitive procurement (10 per cent weighting for tenders). The EMS performance of our suppliers in 2018-19 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 2018-19, we recorded:

- 0 worker's injury claims
- no formal written complaints
- no equal opportunity, bullying or harassment complaints
- 0 days of lost time due to injury
- an average of 25 training hours per employee

### PERFORMANCE AGAINST HEALTH, SAFETY AND WELLBEING MANAGEMENT MEASURES

Measure	KPI	2018-19	2017-18	2016-17	2015-16	2014-15
Incidents	No. of incidents	4	6	7	11	7
	Rate per 100 FTE	2.3	5.2	6.4	10.17	6.50
	Average time lost per occurrence (days)	0	0	2	0	0
Claims	Number of standard claims	0	0	1	1	2
	Average cost per claim	0	0	0	\$1,357	\$2,348
Management commitment	Evidence of OH&S policy statement	Completed	Completed	Completed	Completed	Completed
	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%



## 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.

### Comparative workforce data

At 30 June 2019:

- › SV employed 182 staff (172.55 full time equivalent) compared to 122 staff (114.8 full time equivalent) At 30 June 2018.
- › the proportion of women was 62 per cent (compared to 61 per cent at 30 June 2018)

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

2019	2018	2017	2016	2015	2014	2013	2012
172.55	114.8	108.8	108.2	112	110.7	105.7	113

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of the Department, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June (2019) of the previous reporting period (2018).

Table 1: Details of employment levels in June 2018 and 2019

		June 2019							June 2018						
		All employees		Ongoing		Fixed term and casual			All employees		Ongoing		Fixed term and casual		
		Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE	Number (head count)	FTE	Full-time (head count)	Part-time (head count)	FTE	Number (head count)	FTE
Demographic data	Gender														
	Women	112	103.95	31	14	40.35	67	63.6	77	70.4	36	15	46.5	26	23.9
	Men	69	67.6	22	2	23.6	45	44	44	43.4	27	2	28.6	15	14.8
	Self-described	1	1	1	0	1	0	0	1	1	0	0	0	1	1
	Age														
	15-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	25-34	44	43.2	9	2	10.4	33	32.8	26	25	10	3	12.2	13	12.8
	35-44	74	68.42	18	7	22.82	49	45.6	52	47.2	24	10	30.9	18	16.3
	45-54	37	34.13	12	7	16.73	18	17.4	25	23.8	15	3	17.2	7	6.6
	55-64	25	25	15	0	15	10	10	18	17.8	14	1	14.8	3	3
	65+	2	1.8	0	0	0	2	1.8	1	1	0	0	0	1	1
Classification data	VPS 1-6 grades														
	VPS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	VPS 2	3	3	0	0	0	3	3	0	0	0	0	0	0	0
	VPS 3	14	13.8	3	0	3	11	10.8	5	4.8	2	1	2.8	2	2
	VPS 4	45	39.85	9	7	13.25	29	26.6	31	28	13	6	16.9	12	11.1
	VPS 5	91	87.9	31	5	34.7	55	53.2	64	60.6	31	7	36	26	24.6
	VPS 6	22	21	11	4	14	7	7	18	17.4	13	3	15.4	2	2
	Senior employees														
	STS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Executives	7	7	0	0	0	7	7	4	4	4	0	4	0	0
	Other								0	0	0	0	0	0	0
	Total employees	182	172.55	54	16	69	112	107.6	122	114.8	6.3	17	75.1	42	39.7

The following table discloses the annualised total salary for senior employees of the Department, categorised by classification. The salary amount is reported as the full-time annualised salary.

**Table 2: Annualised total salary, by \$20 000 bands, for executives and other senior nonexecutive staff**

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160 000						
\$160 000 – \$179 999	2					
\$180 000 – \$199 999	5					
\$200 000 – \$219 999						
\$220 000 – \$239 999						
\$240 000 – \$259 999						
\$260 000 – \$279 999						
\$280 000 – \$299 999						
\$300 000 – \$319 999						
\$320 000 – \$339 999						
\$340 000 – \$359 999						
\$360 000 – \$379 999						
\$380 000 – \$399 999						
\$400 000 – \$419 999						
\$420 000 – \$439 999						
\$440 000 – \$459 999						
\$460 000 – \$479 999						
\$480 000 – \$499 999						
<b>Total</b>	<b>7</b>					

## 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 seven executive officers in 2018–19 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.

### BREAKDOWN OF EXECUTIVE OFFICERS BY GENDER 2018-19

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

\*Variance refers to comparison against 2017-18 data

### RECONCILIATION OF EXECUTIVE NUMBERS 2018-19

		2018-19	2017-18	2016-17
	Executives	7	5	7
Less	Separations	0	1	2
	Leave without pay	0	0	0
	Long term acting arrangements	0	1	0
	<b>Total executive numbers at 30 June</b>	<b>7</b>	<b>4</b>	<b>5</b>



## Other Disclosures

### Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Job First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

#### **Projects Commenced – Local Jobs First Standard**

During 2018-19, we did not commence any Local Jobs First Standard projects.

#### **Projects completed – Local Jobs First Standard**

During 2018-19, we did not complete any Local Jobs First Standard projects.

#### **Reporting requirements – grants**

For grants provided during 2018-19, a total of three interaction reference numbers were required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd.

### Government advertising expenditure

In 2018-19 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 2018-19, there were 16 consultancies costing in excess of \$10,000 at a total cost of \$571,859.40 (ex GST). Details of 2018-19 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-11343	First Person Consulting Pty Ltd	Monitoring and Evaluation that enables measurement and reporting of the performance of the SWRRIP	18/06/2019	23/08/2019	\$6,350.00	\$6,350.00	\$10,000.00
2	C-11327	RM Consulting Group Pty Ltd	To develop an evidence-based food waste hierarchy that informs future programs and interventions in food waste avoidance, reduction, redistribution, resource recovery	7/06/2019	28/06/2019	\$18,509.09	\$18,509.09	\$0.00
3	C-11247	Arcadis Australia Pacific Pty Ltd	To conduct a comprehensive stakeholder mapping and analysis of the complete food supply chain and to review and report on existing food waste programs in Victoria	18/05/2019	30/06/2019	\$19,500.00	\$19,500.00	\$0.00
4	C-11283	Arcadis Australia Pacific Pty Ltd	To conduct a desktop review of publicly available reports and information regarding C&I waste.	20/05/2019	1/07/2019	\$23,575.00	\$16,770.00	\$6,805.00
5	C-11110	Rawtec Pty Ltd	To provide expert advice on waste management and social licence to operate (SLO) to assist with the development and delivery of the SLO Training Package.	01/03/2019	30/06/2019	\$25,000.00	\$12,316.81	\$12,683.19
6	C-10262	PV Cycle Association	To provide expert advice and peer review services in relation to national stewardship options for PV systems	2/7/2018	31/03/2019	\$25,000.00	\$0.00	\$0.00
7	C-10919	ACIL Allen	Provide a research report that provides a sustainable finance market gap analysis for Victorian local governments and the waste to energy sector (part 2).	5/11/2018	23/11/2018	\$25,830.00	\$25,830.00	\$0.00
8	C-11198	Community Power Agency	Undertake and deliver a final evaluation of the two year CPH pilot.	8/04/2019	21/06/2019	\$27,710.00	\$22,168.00	\$5,542.00

	Contract ID	Consultant	Title and Description	Start Date	End Date	Total Fees (\$)	Expenditure this year (\$)	Future Commitments (\$)
9	C-11269	HRL Technology Group Pty Ltd	To assist in options development for PV panel processing and determination of markets for recirculation or resale of recovered materials.	15/05/2019	19/06/2019	\$30,500.00	\$30,500.00	\$0.00
10	C-10915	ACIL Allen	Provide a research report that provides a sustainable finance market gap analysis for Victorian local governments and the waste to energy sector (part 1).	5/11/2018	23/11/2018	\$36,746.00	\$36,746.00	\$0.00
11	C-11266	PV Cycle Association	To provide European Analysis WEEE Compliance and Support for End-of-life PV Products	13/05/2019	30/06/2019	\$40,857.94	\$0.00	\$40,857.94
12	C-10739	IPSOS	To conduct stakeholder survey with 300 respondents to provide measurement of key performance indicators and analysis of underlying drivers	8/10/2018	10/1/2019	\$43,500.00	\$43,500.00	\$0.00
13	C-10424	Today Design	Program review and recommendations: Improving Resource Recovery and Reducing Contamination in Household Kerbside Services	17/7/2018	30/10/2018	\$59,262.50	\$59,262.50	\$0.00
14	C-10982	First Person Consulting	To provide monitoring and evaluation services for the Latrobe Valley Home Energy Upgrade	21/12/2018	30/06/2021	\$69,900.00	\$10,485.00	\$59,415.00
15	C-10500	EY	To undertake research to inform the development of high impact programs to assist Victoria's industry and built environment sectors to reduce their indirect emissions and assist Victoria transition to net zero emissions by 2050.	16/8/2018	31/10/2018	\$110,466.00	\$110,466.00	\$0.00
16	C-10736	Blue Environment	To undertake a detailed analysis of the hazardous waste system in Victoria	8/10/2018	30/8/2019	\$162,040.00	\$159,456.00	\$2,584.00

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

In 2018-19, there were 5 consultancies engaged during the year, where the total fees payable to the individual consultants was less than \$10,000. The total expenditure incurred during 2018-19 in relation to these consultancies was \$8,500.00 (excl. GST).

## Information and Communication Technology expenditure

For the 2018-2019 reporting period, SV had a total ICT expenditure of \$3,129,207, 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 (nonBAU) ICT Expenditure Total=Opex and Capex expenditure	Operational (Opex) expenditure	Capital (Capex) expenditure
\$2,249,328	\$879,879	\$798,554	\$81,325

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.

by periods of 30 days, in consultation with the applicant. With the applicant's agreement, this may occur any number of times.

If an applicant is not satisfied with 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.

An applicant may also make a complaint to OVIC under section 61A of the Act regarding an action taken or failed to be taken or a decision that a document does not exist. Such complaint must be made in writing to OVIC within 60 days of the decision or action having occurred.

## Disclosure of major contracts

SV did not award any major contracts (valued at \$10 million or more) during 2018-19 9A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more).

## Freedom of Information (FOI)

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 may apply for access to 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 was amended to reduce the FOI processing time for requests received from 45 to 30 days. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended

## Making a request

FOI requests can be lodged online at [FOI@sustainability.vic.gov.au](mailto:FOI@sustainability.vic.gov.au) or by writing to our Freedom of Information Officer, as detailed in section 17 of the Act (details below). An application fee of \$28.40 applies (\$29.60 from 1 July 2019), unless waived. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

When making a 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](mailto:FOI@sustainability.vic.gov.au)

## FOI statistics/timeliness

During 2018-19, we received five applications. Of these requests, three were from a member of Parliament and two were from the general public.

We made three FOI decisions during the 12 months ending 30 June 2019:

- one request was transferred to another agency;
- one was decided on the basis that we did not have the documents requested; and
- one decision was made to release the information sought in part.

Two decisions were made within the statutory 30day time period, and one decision was made within an agreed extended time period.

The average time taken to finalise requests in 2018/19 was 28 days.

During 2018-19, 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 FOI can be obtained from the Act; regulations made under the Act; and [ovic.vic.gov.au](http://ovic.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 us and are available on request, subject to the provisions of the Act:

- a A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- b Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- c Details of publications produced by Sustainability Victoria about itself, and how these can be obtained.
- d Details of any major reviews carried out in respect of the operation of Sustainability Victoria.
- e Details of major research and development activities undertaken by Sustainability Victoria.
- f Details of major promotional, public relations and marketing activities undertaken by Sustainability Victoria to develop community awareness of us and our services.
- g Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- h A general statement on industrial relations within Sustainability Victoria and details of time lost through industrial accidents and disputes.
- i A list of major committees sponsored by Sustainability Victoria, the purposes of each committee and the extent to which the purposes have been achieved.
- j Details of overseas visits undertaken.
- k Details of changes in prices, fees, charges, rates and levies charged for our services.
- l Details of all consultancies and contractors including consultants/contractors engaged; services provided; and expenditure committed to for each engagement.

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

## 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*.

## 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](http://www.sustainability.vic.gov.au)
- call (03) 8626 8700
- email [privacy@sustainability.vic.gov.au](mailto:privacy@sustainability.vic.gov.au).

We received one privacy enquiry in 2018-19. The enquiry came from a Solar Victoria customer who applied for a solar rebate and subsequently received information and updates on sustainability initiatives by email. The customer requested to opt out of any further email updates and this was actioned by Sustainability Victoria within two business days.

## 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.

SV complies with the Competitive Neutrality Policy in respect of its significant business activities and we are working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the **Competition Principles Agreement** and **Competition and Infrastructure Reform 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](http://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](http://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](http://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 2013–14 (Census of all 79 Victorian Local Governments)
- Victorian Local Government Annual Waste Service Report 2015–16 (Census of all 79 Victorian Local Governments)
- Victorian Local Government Annual Waste Service Workbook 2016–17 (Census of all 79 Victorian Local Governments)
- Victorian Recycling Industry Waste Services Workbook 2016–17
- 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 2015–16)
- Organics recovery in Victoria 2015–16 (part of the Victorian Recycling Industry Annual Survey 2015–16)
- 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 2019 in the following structure to provide users with the information about SV's stewardship of resources entrusted to it:

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## Annual Financial Statements 2018-19

### Notes to the financial statements

#### 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 Assistant Treasurer 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 2019 and the financial position of SV as at 30 June 2019.

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 19 September 2019.

  
Heather Campbell

Chair  
Sustainability Victoria

Melbourne  
19/09/2019

  
Carl Muller

Interim Chief Executive Officer  
Sustainability Victoria

Melbourne  
19/09/2019

  
Tom Whitechurch

Acting Chief Financial  
Officer  
Sustainability Victoria

Melbourne  
19/09/2019



## Independent Auditor's Report

### *To the Board of Sustainability Victoria*

<b>Opinion</b>	<p>I have audited the financial report of Sustainability Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2019</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>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 <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

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**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  
20 September 2019



Paul Martin  
*as delegate for the Auditor-General of Victoria*



## Sustainability Victoria

## Comprehensive Operating Statement

For the financial year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>Income from transactions</b>			
Landfill levy	2.1	19,089,526	19,325,289
Government grants	2.1	147,033,888	21,265,258
Other income from government	2.1	254,444	153,880
Interest	2.1	1,433,242	414,500
Other income	2.1	2,957,346	2,739,110
<b>Total income from transactions</b>		<b>170,768,446</b>	<b>43,898,037</b>
<b>Expenses from transactions</b>			
Grant and program expenses	3.1	(125,715,482)	(19,706,085)
Employee benefits	3.1	(19,877,868)	(14,603,528)
Depreciation and amortisation	4.1.1	(642,084)	(429,744)
Occupancy costs		(2,090,147)	(1,511,828)
Telecommunication & IT		(3,047,882)	(2,536,678)
Finance costs	6.1	(4,272)	(4,715)
Other operating expenses	3.1	(2,182,452)	(1,857,399)
<b>Total expenses from transactions</b>		<b>(153,560,188)</b>	<b>(40,649,977)</b>
<b>Net result from transactions (net operating balance)</b>		<b>17,208,258</b>	<b>3,248,060</b>
<b>Other economic flows included in net result</b>			
Net gain / (loss) on non-financial assets	(a)	5,370	9,705
Net gain / (loss) from other economic flows	(b)	(220,147)	(87,715)
<b>Total other economic flows included in net result</b>		<b>(214,777)</b>	<b>(78,010)</b>
<b>Net result</b>		<b>16,993,480</b>	<b>3,170,050</b>
<b>Comprehensive result</b>		<b>16,993,480</b>	<b>3,170,050</b>

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 2019

	Notes	2019 \$	2018 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash & deposits	6.3	64,876,480	27,482,805
Receivables	5.1	16,812,124	7,074,802
Investments and other financial assets	4.3	399,583	161,583
<b>Total financial assets</b>		<b>82,088,187</b>	<b>34,719,190</b>
<b>Non-financial assets</b>			
Property, plant & equipment	4.1	858,231	374,878
Prepayments		736,718	553,955
Intangible assets	4.2	531,534	724,235
<b>Total non-financial assets</b>		<b>2,126,483</b>	<b>1,653,068</b>
<b>Total assets</b>		<b>84,214,670</b>	<b>36,372,258</b>
<b>Liabilities</b>			
Payables	5.2	22,871,767	2,522,044
Borrowings	6.1	131,107	162,273
Employee related provisions	3.1.2	2,773,876	2,409,776
Other Provisions	5.3	10,172,313	6,037
<b>Total liabilities</b>		<b>35,949,063</b>	<b>5,100,131</b>
<b>Net assets</b>		<b>48,265,606</b>	<b>31,272,126</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		22,216,800	5,223,320
Contributed capital		26,048,806	26,048,806
<b>Total equity</b>		<b>48,265,606</b>	<b>31,272,126</b>

The accompanying notes form part of these financial statements.

## Sustainability Victoria

## Cash Flow Statement

For the financial year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government grants		137,219,078	22,195,501
Receipts from government - other		254,444	153,880
Receipts from landfill levy		19,148,466	19,249,689
Other receipts		3,219,200	1,929,718
Interest received		1,459,014	423,365
Goods and Services Tax recovered from the ATO (a)		3,153,150	1,849,090
<b>Total Receipts</b>		<b>164,453,353</b>	<b>45,801,243</b>
<b>Payments</b>			
Payments to program recipients		(118,996,934)	(21,743,275)
Payments to suppliers and employees		(6,860,672)	(19,954,510)
Interest and other costs of finance paid		(4,272)	(4,715)
<b>Total Payments</b>		<b>(125,861,878)</b>	<b>(41,702,500)</b>
<b>Net cash flows from / (used in) operating activities</b>	6.3.1	<b>38,591,475</b>	<b>4,098,743</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(859,440)	(94,535)
Payments for investments		(238,000)	(161,583)
Payments for intangible WIP		-	(56,250)
Payments for intangible		(81,413)	-
Proceeds from disposal of property, plant and equipment		25,096	33,954
<b>Net cash flows from / (used in) investing activities</b>		<b>(1,153,757)</b>	<b>(278,414)</b>
<b>Cash flows from financing activities</b>			
Repayment of finance leases		(44,043)	(58,411)
<b>Net cash flows from / (used in) financing activities</b>		<b>(44,043)</b>	<b>(58,411)</b>
<b>Net increase in cash &amp; cash equivalents</b>		<b>37,393,675</b>	<b>3,761,918</b>
Cash & cash equivalents at the beginning of the financial year		27,482,805	23,720,887
<b>Cash &amp; cash equivalents at the end of the financial year</b>	6.3	<b>64,876,480</b>	<b>27,482,805</b>
<b>Non-cash transactions</b>	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 2019

	Accumulated Surplus / (Deficit)	Contributions by Owner	Total
	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>2,053,270</b>	<b>26,048,806</b>	<b>28,102,076</b>
Net result for the year	3,170,050	-	<b>3,170,051</b>
<b>Balance at 30 June 2018</b>	<b>5,223,320</b>	<b>26,048,806</b>	<b>31,272,127</b>
Net result for the year	16,993,480	-	<b>16,993,480</b>
<b>Balance at 30 June 2019</b>	<b>22,216,800</b>	<b>26,048,806</b>	<b>48,265,606</b>

The accompanying notes form part of these 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).

Application of new accounting standards - AASB 9 Financial Instruments, which replaces AASB 39 Financial Instruments: Recognition and Measurement, introduces new requirements for recognition, classification and measurement, a new impairment model for financial assets based on expected credit losses, and simplified hedge accounting. SV has adopted AASB 9 as at 1 July 2018 and has applied the new rules on a modified retrospective basis. As a result, comparatives for 2017/18 in our 30 June 2019 accounts will not be restated. Further disclosures in relation to AASB 9 are at note 7.1 of this report.

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*.

The Solar Homes program to enable Victorian's to install a solar panel system and receive a rebate up to a total value of \$2,225 or a hot water service rebate of \$1,000 has been delivered by SV in 2018-19 and is included in the 2019 figures. Refer to **Note 9** for the disaggregation of the Solar Victoria income statement and balance sheet.

### Structure

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

	Notes	2019 \$	2018 \$
Landfill Levy		19,089,526	19,325,289
Government grants	2.2	147,033,888	21,265,258
Interest		1,433,242	414,500
Other income	2.3	3,211,791	2,892,990
<b>Total income from transactions</b>		<b>170,768,446</b>	<b>43,898,037</b>

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

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

	2019 \$	2018 \$
Sustainability Fund grants to Sustainability Victoria	46,335,688	21,151,314
Government initiatives funding	-	113,944
Solar Victoria grants	100,698,200	-
<b>Total Government grants</b>	<b>147,033,888</b>	<b>21,265,258</b>

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.

Solar Victoria grants received are for the delivery of Phase 1 of the Solar Homes Program, with Phase 2 of the program delivered by The Department of Environment, Land, Water and Planning (DELWP) from 1 July 2019. Additional detail relating to the Solar Homes Program (Solar Victoria) is included under Note 9.



## Note 2.3 Income from other transactions

	2019 \$	2018 \$
FirstRate5 Certificates and Accreditation	2,705,852	2,417,538
Program contributions	251,494	321,572
Other income from government - Secondment fees	254,444	153,880
<b>Total Other income</b>	<b>3,211,791</b>	<b>2,892,990</b>

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

3.1. Expenses incurred in delivery of services.....	43
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### Note 3.1 Expenses incurred in delivery of services

	Notes	2019 \$	2018 \$
Employee benefits expense	3.1.1	19,877,868	14,603,528
Grant and program expenses	3.2	125,715,482	19,706,085
Other operating expenses	3.3	2,182,452	1,857,399
<b>Total expenses incurred in delivery of services</b>		<b>147,775,802</b>	<b>36,167,012</b>

### Note 3.1.1 Employee benefits in the comprehensive operating statement

	2019 \$	2018 \$
Salaries and wages, annual leave and long service leave	18,280,812	13,469,352
Defined contribution superannuation expense	1,597,056	1,134,176
<b>Total employee expenses</b>	<b>19,877,868</b>	<b>14,603,528</b>

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 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.

	2019 \$	2018 \$
<b>Current provisions</b>		
Annual Leave		
Unconditional and expected to settle within 12 months	662,886	482,166
Unconditional and expected to settle after 12 months	299,384	245,733
Long Service Leave		
Unconditional and expected to settle within 12 months	646,028	568,557
Unconditional and expected to settle after 12 months	412,596	461,121
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	180,469	150,417
Unconditional and expected to settle after 12 months	102,181	97,737
<b>Total current provisions for employee benefits</b>	<b>2,263,543</b>	<b>2,005,731</b>
<b>Non-current provisions</b>		
Employee Benefits – Long Service Leave	445,317	352,570
On-costs	65,016	51,475
<b>Total non-current provisions for employee benefits</b>	<b>510,333</b>	<b>404,045</b>
<b>Total provisions for employee benefits</b>	<b>2,773,876</b>	<b>2,409,776</b>

**Reconciliation of Movement in on-cost provision**

	2019 \$	2018 \$
<b>Opening Balance</b>	299,546	277,048
Additional provisions recognised	225,585	167,946
Reductions arising from payments/other sacrifices of future economic benefit	(177,465)	(145,448)
<b>Closing Balance</b>	<b>347,666</b>	<b>299,546</b>
Current	282,649	248,154
Non-current	65,016	51,475

**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 defined contribution plans.

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.

	<i>Paid contribution for the year</i>		<i>Contribution outstanding at year end</i>	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Defined contribution plans:</b>				
VicSuper	559,930	501,426	8,899	9,050
Other	992,659	653,006	7,207	13,627
<b>Total</b>	<b>1,552,589</b>	<b>1,154,432</b>	<b>16,106</b>	<b>22,677</b>

### Note 3.2 Grant and program expenses

	2019	2018
	\$	\$
<b>Grant and program expenses</b>		
Integrated Waste Management	18,548,858	11,190,186
Resource Efficiency	11,075,830	6,186,738
Engagement (Includes all Litter and Schools Programs)	2,759,900	2,329,161
Solar Victoria rebates	93,330,894	-
<b>Total grant and program expenses</b>	<b>125,715,482</b>	<b>19,706,085</b>

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.

Solar Victoria rebates are taken up as an expense in the reporting period in which they are incurred, rebates are paid for Solar Hot Water and Solar Photovoltaic Panel systems installed in an individual residences provided they have met eligibility criteria.

**Note 3.3 Other operating expenses**

	2019 \$	2018 \$
Supplies and services	650,872	528,819
Agency staff	357,729	240,625
Internal audit	163,750	110,313
Other operating expenses	1,010,101	977,642
<b>Total other operating expenses</b>	<b>2,182,452</b>	<b>1,857,399</b>

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

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- 4.2. Intangible assets..... 49

### Note 4.1: Total Plant and equipment

	Gross Carrying amount		Accumulated depreciation		Net Carrying Amount	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Office furniture and equipment	620,395	472,015	(435,255)	(401,714)	185,140	70,301
Computer equipment	1,374,623	828,733	(862,975)	(691,443)	511,648	137,290
Motor vehicles	231,836	233,067	(100,966)	(71,818)	130,870	161,249
Leasehold improvements	32,675	-	(6,126)	-	26,549	-
Make-good provision	99,299	6,038	(95,274)	-	4,025	6,038
<b>Net carrying amount</b>	<b>2,358,827</b>	<b>1,539,853</b>	<b>(1,500,596)</b>	<b>(1,164,975)</b>	<b>858,231</b>	<b>374,878</b>

**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	2019 \$	2018 \$
Office furniture and equipment	33,541	18,197
Computer equipment	189,904	119,527
Motor vehicles	43,213	43,867
Leasehold improvements	6,126	-
Make-good provision	95,274	-
Intangible assets (amortisation)	274,026	248,153
<b>Total depreciation and amortisation</b>	<b>642,084</b>	<b>429,744</b>



## Notes to the financial statements

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		Leasehold Improvement		Total	
	2019	2018	2019	2018	2018	2018	2019	2018	2019	2018	2019	2018
<b>Opening balance</b>	70,301	43,847	137,290	212,971	161,249	170,684	6,038	-	-	-	374,878	427,502
Additions	148,379	44,651	585,124	43,846	26,009	50,000	93,261	6,038	32,675	-	885,449	144,535
Disposals	-	-	(20,862)	-	(13,176)	(15,568)	-	-	-	-	(34,038)	(15,568)
Depreciation	(33,541)	(18,197)	(189,904)	(119,527)	(43,213)	(43,867)	(95,274)	-	(6,126)	-	(368,058)	(181,591)
<b>Closing balance</b>	<b>185,140</b>	<b>70,301</b>	<b>511,648</b>	<b>137,290</b>	<b>130,869</b>	<b>161,249</b>	<b>4,025</b>	<b>6,038</b>	<b>26,549</b>	<b>-</b>	<b>858,231</b>	<b>374,878</b>

**Note 4.2: Intangible assets**

	2019 \$	2018 \$
<b>Gross carrying amount</b>		
Opening balance	1,351,326	1,240,768
Additions from IT development	81,325	-
Work in Progress of IT Development	-	111,558
<b>Closing balance</b>	<b>1,433,650</b>	<b>1,352,326</b>
<b>Accumulated depreciation and amortisation</b>		
Opening balance	(628,090)	(379,937)
Amortisation expense (i)	(274,026)	(248,153)
<b>Closing balance</b>	<b>(902,116)</b>	<b>(628,090)</b>
<b>Net book value at end of financial year</b>	<b>531,534</b>	<b>724,235</b>

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 \$364,524 (2018: \$612,677). Its useful life is five years and will be fully amortised in 2022. During the financial year SV capitalised \$192,883 for its project management software PRoMPT which formed part of 2018 work in progress. Its useful life is five years and will be fully amortised in 2024.

**Make-good asset:** refer note 5.3

**Note 4.3: Investments and other financial assets**

	2019 \$	2018 \$
<b>Non-current investments and other financial assets</b>		
Investment – social enterprise projects	20,146	20,868
Loans receivable – social enterprise projects	379,437	140,715
<b>Total non-current investments and other financial assets</b>	<b>399,583</b>	<b>161,583</b>
<b>Total investments and other financial assets</b>	<b>399,583</b>	<b>161,583</b>

Ageing analysis of financial assets

	Carrying amount \$	Not past due and not impaired \$
<b>2019</b>		
Managed Fund	399,583	399,583
<b>Total</b>	<b>399,583</b>	<b>399,583</b>

## Note 5: Other Assets and Liabilities

### Introduction

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

### Structure

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5.2. Payables.....	52
5.3. Other provisions.....	53

### Note 5.1: Receivables

	2019 \$	2018 \$
<b>Contractual</b>		
Trade debtors	273,845	716,870
Accrued Investment income	3,093	29,675
Other receivables	51,282	34,120
Amounts owing from Victorian Government (i)	10,789,224	679,837
<b>Statutory</b>		
Landfill Levy receivable (ii)	4,772,381	4,831,322
GST Receivable	921,489	782,978
<b>Total receivables</b>	<b>16,812,124</b>	<b>7,074,802</b>
<i>Represented by:</i>		
Current receivables	<b>16,812,124</b>	<b>7,074,802</b>

#### 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 2019 were paid in July 2019.

**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. SV applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction costs

Details about SV's impairment policies, SV's exposure to credit risk, and the calculation of the loss allowance are set out in note 7.1.2.

**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 \$
<b>2019</b>					
Trade Debtors	273,845	258,863	14,850	-	132
Accrued investment income	3,093	3,093	-	-	-
Amounts owing from Victorian Government	10,789,224	6,022,351	1,985,568	2,700,000	81,305
Other debtors	51,282	51,582	-	-	-
<b>Total</b>	<b>11,118,253</b>	<b>6,336,398</b>	<b>2,003,418</b>	<b>2,700,000</b>	<b>81,437</b>
<b>2018</b>					
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	-	-	-
<b>Total</b>	<b>1,460,502</b>	<b>1,453,774</b>	<b>-</b>	<b>-</b>	<b>6,728</b>

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

	2019 \$	2018 \$
<b>Contractual</b>		
Trade creditors	3,353,452	576,587
Accrued project grants	1,684,148	1,184,575
Accrued expenses	381,630	643,904
Accrued Solar Victoria rebates	17,335,216	-
<b>Statutory</b>		
GST payable	37,638	63,137
Payroll tax payable	59,367	45,319
FBT payable	20,316	8,522
<b>Total payables</b>	<b>22,871,767</b>	<b>2,522,044</b>
<i>Represented by:</i> Current payables	<b>22,871,767</b>	<b>2,522,044</b>

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.

Rebates payable by Solar Victoria are recognised as an accrual once the application received is approved for payment.

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 <sup>(i)</sup>

	Carrying amount	Nominal Amount	Less than 1 month \$	1-3 months \$	3 months - 1 year \$
<b>2019</b>					
Trade creditors	3,353,452	3,353,452	3,291,824	59,624	2,003
Accrued project grants	1,684,148	1,684,148	1,684,148	-	-
Accrued expenses	381,360	381,360	381,360	-	-
Accrued Solar Victoria rebates	17,335,216	17,335,216	9,032,275	7,392,500	910,441
<b>Total</b>	<b>22,754,447</b>	<b>22,754,447</b>	<b>14,389,878</b>	<b>7,452,124</b>	<b>912,444</b>
<b>2018</b>					
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	-	-
<b>Total</b>	<b>2,405,066</b>	<b>2,405,067</b>	<b>2,334,987</b>	<b>61,172</b>	<b>8,907</b>

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

	2019 \$	2018 \$
<b>Current provisions</b>		
Make-good provision	6,038	6,038
Solar Victoria rebate provision	10,166,275	-
<b>Total non-current provisions</b>	<b>10,172,313</b>	<b>6,038</b>
<b>Total other provisions</b>	<b>10,172,313</b>	<b>6,038</b>

Other provision, 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.

Solar Victoria rebate provision is recognised when the application has been received and they are eligible, however they have not yet been approved for payment.

## Reconciliation of movements in other provisions

	Rebates	Make good	Total
	\$	\$	\$
<b>Opening balance</b>	-	6,038	<b>6,038</b>
Additional provision recognised	10,166,275	-	<b>10,166,275</b>
<b>Closing balance</b>	<b>10,166,275</b>	<b>6,038</b>	<b>10,172,313</b>

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

	2019 \$	2018 \$
<b>Current borrowings</b>		
Finance lease liabilities <sup>(i)</sup>	131,107	90,051
<b>Total current borrowings</b>	<b>131,107</b>	<b>90,051</b>
<b>Non-current borrowings</b>		
Finance lease liabilities <sup>(i)</sup>	-	72,223
<b>Total non-current borrowings</b>	<b>-</b>	<b>72,223</b>
<b>Total borrowings</b>	<b>131,107</b>	<b>162,274</b>

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 \$
<b>2019</b>						
Finance Lease Liabilities	131,107	131,107	10,925	32,777	87,405	-
<b>Total</b>	<b>131,107</b>	<b>131,107</b>	<b>10,925</b>	<b>32,777</b>	<b>87,405</b>	<b>-</b>
<b>2018</b>						
Finance Lease Liabilities	162,274	162,274	7,504	22,513	60,034	72,223
<b>Total</b>	<b>162,274</b>	<b>162,274</b>	<b>7,504</b>	<b>22,513</b>	<b>60,034</b>	<b>72,223</b>

## Interest expense

	2019 \$	2018 \$
Interest on finance leases	4,272	3,452
<b>Total interest expense</b>	<b>4,272</b>	<b>3,452</b>

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	
	2019 \$	2018 \$	2019 \$	2018 \$
Not longer than one year	131,107	93,993		90,051
Longer than one year but not longer than five years	-	72,995		72,223
<b>Minimum future lease payment</b>	<b>131,107</b>	<b>166,988</b>		<b>162,274</b>
Less future finance charges	(1,026)	(4,715)		162,273
<b>Present value of minimum lease payments</b>	<b>130,081</b>	<b>162,273</b>		<b>162,273</b>
Included in the financial statements as:				
Current borrowings (Note 6.1)	131,107		131,107	90,051
Non-current borrowings (Note 6.1)			-	72,223
<b>Total</b>	<b>131,107</b>		<b>131,107</b>	<b>162,273</b>

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.

	2019 \$	2018 \$
Cash at bank	22,469,354	1,181,805
Cash on hand	349	1,000
Short-term deposits	42,406,777	26,300,000
<b>Balance as per cash flow statement</b>	<b>64,876,480</b>	<b>27,482,805</b>

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

	2019 \$	2018 \$
<b>Net result for the financial year</b>	16,993,480	3,170,050
<b>Non-cash movements:</b>		
Depreciation	642,084	429,744
(Gain) / Loss on disposal of assets	(5,370)	(9,705)
<b>Movements in assets and liabilities:</b>		
Increase/(Decrease) in employee related provisions	364,100	241,183
Increase in payables	30,517,264	237,937
(Increase) / Decrease in prepayments	(182,762)	274,235
Decrease in receivables	(9,737,322)	244,702
<b>Net cash flows from/(used in) operating activities</b>	<b>38,591,475</b>	<b>4,098,743</b>

**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.

<b>Nominal Amounts</b>	<b>Less than 1 year \$</b>	<b>1 – 5 years \$</b>	<b>5+ years \$</b>	<b>Total \$</b>
<b>2019</b>				
Operating and lease commitments <sup>(i)</sup>	1,685,489	2,046,945	-	3,732,435
Other commitments- contracts <sup>(ii)</sup>				
- Tied funding	31,828,129	5,558,975	-	37,387,104
- Other funding	3,861,099	705,904	-	4,567,003
<b>Total commitments (inclusive GST)</b>	<b>37,374,717</b>	<b>8,311,824</b>	<b>-</b>	<b>45,686,542</b>
Less GST recoverable	3,397,702	755,620	-	4,152,322
<b>Total commitments (exclusive GST)</b>	<b>33,977,016</b>	<b>7,556,204</b>	<b>-</b>	<b>41,533,220</b>

<b>Nominal Amounts</b>	<b>Less than 1 year \$</b>	<b>1 – 5 years \$</b>	<b>5+ years \$</b>	<b>Total \$</b>
<b>2018</b>				
Operating and lease commitments <sup>(i)</sup>	1,614,834	3,719,010	-	5,333,844
Other commitments- contracts <sup>(ii)</sup>				
- Tied funding	20,409,409	6,098,827	-	26,508,236
- Other funding	1,525,593	913,021	-	2,438,614
<b>Total commitments (inclusive of GST)</b>	<b>23,549,836</b>	<b>10,730,858</b>	<b>-</b>	<b>34,280,693</b>
Less GST recoverable	2,140,894	975,533	-	3,116,427
<b>Total commitments (exclusive of GST)</b>	<b>21,408,942</b>	<b>9,755,324</b>	<b>-</b>	<b>31,164,266</b>

**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 391 contracts by SV as at the reporting date (262 contracts at 30 June 2018) but not included in the Balance Sheet and are carried forward into the 2019-20 financial year and beyond

## Note 7: Risk, contingencies and valuation judgements

### Introduction

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.

### Structure

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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*.

From 1 July 2018, SV applies AASB9 and classifies all of its financial assets based on the business model for managing assets and the asset's contractual terms.

#### Categories of financial assets under AASB9

##### Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result;

- The assets are held by SV to collect the contractual cash flows; and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs are subsequently measured at amortised cost using the effective interest rate method less any impairment.

SV recognises the following assets in this category:

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

#### Categories of financial assets previously under AASB139

**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.

#### Categories of financial liabilities under AASB9 and previously under AASB139

**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

## Notes to the financial statements

– 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

	Cash and deposits	Financial assets/loans and receivables at amortised cost	Financial liabilities at amortised cost	Total
2019	\$	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and deposits	64,876,480	-	-	64,876,480
Receivables (i)	-	11,118,253	-	11,118,253
Investments	-	399,583	-	399,583
<b>Total Contractual financial assets</b>	<b>64,876,480</b>	<b>11,517,837</b>	<b>-</b>	<b>76,394,317</b>
<b>Contractual financial liabilities</b>				
Payables (i)		-	22,741,687	22,741,687
Finance Lease Liabilities		-	130,081	130,081
<b>Total Contractual financial liabilities</b>		<b>-</b>	<b>22,871,767</b>	<b>22,871,767</b>

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

	Cash and deposits	Financial assets/loans and receivables at amortised cost	Financial liabilities at amortised cost	Total
2018	\$	\$	\$	\$
<b>Contractual financial assets</b>				
Cash and deposits	27,482,805		-	27,482,805
Receivables (i)		1,460,502	-	1,460,502
Investments		161,583	-	161,583
<b>Total Contractual financial assets</b>	<b>27,482,805</b>	<b>1,622,085</b>	<b>-</b>	<b>29,104,890</b>
<b>Contractual financial liabilities</b>				
Payables (i)		-	2,359,771	2,359,771
Finance Lease Liabilities		-	162,273	162,273

<b>Total Contractual financial liabilities</b>	<b>-</b>	<b>2,522,044</b>	<b>2,522,044</b>
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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.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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 2018-19.

#### Credit quality of contractual financial assets that are neither past due or impaired<sup>1</sup>

	Financial institutions (triple A credit rating)	Government agencies (triple A credit rating)	Other (min triple B credit rating)	Total
2019	\$	\$	\$	\$
Cash and deposits	64,876,131	-	-	64,876,131
Receivables (i)	-	6,022,351	-	6,022,351
Investments	399,583	-	-	399,583
<b>Total Contractual financial assets</b>	<b>65,275,714</b>	<b>6,022,351</b>	<b>-</b>	<b>71,298,065</b>



**Credit quality of contractual financial assets that are neither past due or impaired <sup>(iii)</sup>**

	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
<b>Total Contractual financial assets</b>	<b>1,343,388</b>	<b>27,753,773</b>	<b>-</b>	<b>29,097,161</b>

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

**Impairment of financial assets under AASB 9 – applicable from 1 July 2018**

From 1 July 2018, SV has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include SV's contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

**Contractual receivables at amortised cost**

SV applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. SV's historical credit losses are 0%.

**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 (2018: 50 basis points up and down) in market interest rates (AUD) from year-end rates of 1.79 per cent (2018: 1.77 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

2019	Weighted average interest rate %	Carrying Amount \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
Financial assets					
Cash and deposits	1.79%	64,876,480	42,406,777	22,469,354	500
Receivables		11,118,253	-	-	11,118,253
Investments		399,583	-	-	399,583
Total financial assets		76,694,317	42,406,777	22,469,354	11,518,337
Financial liabilities					
Payables		22,871,767	-	-	22,871,767
Finance lease liabilities	3.17%	131,107	131,107	-	-
Total financial liabilities		23,002,874	131,107	-	22,871,767
2018					
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

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

2019	Carrying	Interest rate risk			
	Amount	-50 basis points		+50 basis points	
		Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$
Contractual financial assets					
Cash and cash equivalents	64,876,480	(324,382)	(324,382)	324,382	324,382
Investments	399,583	(1,998)	(1,998)	1,998	1,998
Contractual financial liabilities					
Borrowings	131,107	(656)	(656)	656	656
Total impact		(327,036)	(327,036)	327,036	327,036
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

Notes: Cash and deposits includes a deposit of \$64,876,480 (2018: \$27,482,805) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows: 2019: \$64,876,480 × 0.005 = \$324,382 and 2018: \$27,482,805 × 0.005 = \$137,414.

### 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 (2018: \$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

## Notes to the financial statements

- 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 2018-19 reporting period.

These financial instruments include:

<i>Financial assets</i>	<i>Financial liabilities</i>
Cash and deposits	Payables
Receivables:	Borrowings:
<ul style="list-style-type: none"> <li>Amounts owing from government</li> <li>Accrued investment income</li> <li>Other receivables</li> </ul>	- Finance lease liabilities
Investments	

There is no difference in the fair value of SV's financial instruments to the carrying amounts for 2018 or 2019.

## 7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

<b>2019</b>	<i>Carrying amount as at 30 June 2019</i>	<i>Fair value measurement at end of reporting period using:</i>		
		<i>Level 1 <sup>(a)</sup></i>	<i>Level 2 <sup>(a)</sup></i>	<i>Level 3 <sup>(a)</sup></i>
Office furniture and equipment	185,140	-	-	185,140
Computer equipment	511,648	-	-	511,648
Motor Vehicles	130,870	-	-	130,870
<b>Total of non-financial assets at fair value</b>	<b>827,658</b>	<b>-</b>	<b>-</b>	<b>827,658</b>

<b>2018</b>	<i>Carrying amount as at 30 June 2018</i>	<i>Fair value measurement at end of reporting period using:</i>		
		<i>Level 1 <sup>(a)</sup></i>	<i>Level 2 <sup>(a)</sup></i>	<i>Level 3 <sup>(a)</sup></i>
Office furniture and equipment	70,301	-	-	70,301
Computer equipment	137,290	-	-	137,920
Motor Vehicles	161,249	-	-	161,249
<b>Total of non-financial assets at fair value</b>	<b>368,839</b>	<b>-</b>	<b>-</b>	<b>368,840</b>

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 2019. 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

<b>2019</b>	<i>Office, Furniture and Equipment</i>	<i>Computer Equipment</i>	<i>Motor Vehicle</i>	<i>Total</i>
<b>Opening balance</b>	70,301	137,289	161,249	368,839
Purchases	148,379	585,124	26,009	759,513
Disposals	-	(20,862)	(13,176)	(34,038)
Depreciation	(33,541)	(189,904)	(43,213)	(266,658)
<b>Closing balance</b>	<b>185,140</b>	<b>511,648</b>	<b>130,869</b>	<b>827,656</b>

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

## Description of significant unobservable inputs to Level 3 valuations

2019 & 2018	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.

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### Note 8.1: Ex-gratia expenses

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

SV had no ex-gratia expenses to report within the 2018-19 financial year. Nil for 2017-18

### Note 8.2: Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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, Climate Change & Solar Homes	The Hon. Lily D'Ambrosio	1 July 2018 to 30 June 2019
Chief Executive Officer	Stan Krpan	1 July 2018 to 21 May 2019
Interim Chief Executive Officer	Carl Muller	27 May 2019 to 30 June 2019

#### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of SV during the reporting period was in the range: \$410,000 - \$419,999 (\$340,999 - \$349,000 in 2017-18).

#### Board members

##### 1 July 2018 to 30 June 2019

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.

	<i>Total remuneration 2019</i>	<i>Total remuneration 2018</i>
Income band	No.	No.
0 - \$9,999	-	-
\$10,000 - \$19,999	8	8
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	1
\$290,000 - \$299,999	-	-
\$320,000 - \$329,999	-	-
\$340,000 - \$349,999	-	1
\$410,000 - \$419,999	1	-
<b>Total numbers</b>	<b>10</b>	<b>10</b>
<b>Total amount</b>	<b>\$598,688</b>	<b>\$538,009</b>

**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.

<i>Remuneration of executive officers (including Key Management Personnel)</i>	<i>Total remuneration 2019</i>	<i>Total remuneration 2018</i>
Short-term employee benefits	1,177,701	839,896
Post-employment benefits	110,201	85,546
Other long-term benefits	11,974	9,100
Termination benefits	-	-
<b>Total remuneration<sup>(a)</sup></b>	<b>1,299,876</b>	<b>934,542</b>
<b>Total number of executives</b>	<b>6</b>	<b>5</b>
<b>Total annualised employee equivalents<sup>(b)</sup></b>	<b>6</b>	<b>5</b>

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.

**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

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- 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:	<b>2018-19</b>	<b>2017-18</b>
Landfill levy	\$19,089,526	\$19,325,289
Sustainability Fund grants	\$46,335,688	\$19,139,802
Government initiatives funding	\$100,698,200	\$841,000

The amount recognised as expense is:

Payments to for project delivery and unspent funds	\$778,430	\$124,958
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##### **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	\$1,717,101	\$1,165,512
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##### **Treasury Corporation of Victoria (TCV)**

The amount recognised as revenue is:

Interest revenue	\$756,503	\$404,654
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##### **State Revenue Office (SRO)**

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

The amount recognised as expense is:

Payroll tax	\$877,040	\$625,130
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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
Carl Muller	Interim 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	2019	2018
Short term employee benefits	565,614	500,243
Post-employment benefits	33,074	37,766
Other long-term benefits	4,628	4,936
Termination benefits	-	-
<b>Total</b>	<b>603,316</b>	<b>542,945</b>

#### 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 2018-19, SV paid \$918,465 (in 2018 only: \$434,277 and in 2017-18: \$843,325) 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 was Director of Health Safety and Environment with CSIRO in 2018. Ms Campbell was not involved in any decision relating to CSIRO's services to SV.

Additionally, in 2018-19 SV paid \$12,500 (2017-18: \$12,500) to the Carbon Markets Institute for the Women in Climate sponsorship package as part of Summit Sponsorship Agreement - Women in Climate. Two of SV's board members are involved in Carbon Markets Institute being Megan Flynn (as Non-Executive Director) and Peter Castellas (as Director). Neither were involved in any decision making relating to this payment to Carbon Markets.

SV paid \$1,000 to Outlook (Vic) Inc, a not for profit organisation that operates an environmental management social enterprise. This is part of general funding contract. One of SV's board member, Kerry Osbourne, is an Advisor at Outlook (Vic) Inc and is not key management personnel involved with decisions making.

SV paid \$760 for conference and seminar events at Energy Efficiency Council. SV's Chair, Heather Campbell, is also a member of Project Reference Group at the council and is not involved with training activities of SV employees.

#### Note 8.5: Subsequent events

in 1 July 2020 the Solar Homes program, called Solar Victoria, was transferred from Sustainability Victoria, to the Department of Environment, Land, Water and Planning. The completion of the Phase 1 rebates has remained with Sustainability Victoria from 1 July to 31 October 2019 as a service provider for DELWP. A Memorandum of Understanding has been put in place for this arrangement.

#### Note 8.6: Remuneration of auditors

	2019 \$	2018 \$
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	40,300	28,300
<b>Total remuneration of auditors</b>	<b>40,300</b>	<b>28,300</b>

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

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 1059 *Service Concession Arrangements: Grantor*;
- AASB 16 *Leases*;
- AASB 15 *Revenue from Contract with Customers*; and

- AASB 1058 *Income of Not-for-Profit Entities*.

## Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. SV intends to adopt AASB 16 in 2019-20 financial year when it becomes effective. SV will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. SV will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. The Department intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

SV has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU (\$3,089,464),
- increase in related depreciation (\$1,423,806),
- increase in lease liability (\$1,718,416),
- increase in related interest (\$55,689) calculated using effective interest method, and
- decrease in rental expense (\$1,479,495).

## Revenue and Income

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.

## Notes to the financial statements

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. The Department intends to adopt these standards in 2019-20 financial year when it becomes effective.

SV will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

SV has performed a detailed impact assessment of AASB 15 and AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application has been estimated as follows:

- One major income category is impacted from the assessment undertaken being Government Grants, with the other major income categories reviewed but have been assessed as not being impacted by the new standards; and
- SV has calculated the increase in deferred revenue taken onto balance sheet to be \$23.6 million.

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2019 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 2019, the following standards and interpretations (applicable to SV) had been issued but were not mandatory for the financial year ended 30 June 2019. SV has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on SV's financial statements
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	For arrangements within the scope of AASB 1059, the public sector grantor will be required to record the asset(s) used in the service concession arrangement at current replacement cost in accordance with cost approach to Fair Value under AASB 13: <i>Fair Value Measurement</i> (AASB 13), with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the "Grant Of A Right To The Operator" or GORTO liability) or a combination of both.	1 July 2019	The assessment has indicated that there will be no significant impact for SV.
AASB 17 <i>Insurance Contracts</i>	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle-based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.  This standard does not currently apply to not-for-profit public sector entities. The AASB is undertaking further outreach to determine the applicability of this standard to the not-for-profit public sector.	1 Jan 2021	The assessment has indicated that there will be no significant impact for SV.
AASB 2018-6 <i>Amendments to Australian Accounting Standards – Definition of a Business</i>	This standard amends AASB 3 <i>Business Combinations</i> to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments: <ul style="list-style-type: none"> <li>• clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;</li> <li>• remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs;</li> <li>• add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;</li> <li>• narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and</li> </ul>	1 Jan 2021	The assessment has indicated that there will be no significant impact for SV.

	<ul style="list-style-type: none"> <li>add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.</li> </ul>		
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This standard amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine the definition of material in AASB 10 <i>Events after the Reporting Period</i> , include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material. The amendments also clarify the definition of material and its application by improving the wording and aligning the definition across AASB standards and other publications.	1 Jan 2021	The assessment has indicated that there will be no significant impact for SV.

## Note 9: Disaggregated Financial Information

### Introduction

This section disaggregates income and expenses for Solar Victoria (described in Section 2).

### Structure

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### Note 9.1 Solar Victoria Comprehensive Operating Statement

On 19 August 2018 the Victorian Government announced the new Solar Homes program. In 2018-19 up to 34,000, initially 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. This was identified as Phase 1 of the Solar Homes program.

Sustainability Victoria has been allocated funds to deliver Phase 1 of the program and has established a dedicated business unit called Solar Victoria. It is expected that all Phase 1 rebates will be paid out by 31 October 2019.

Phase 2 of Solar Homes will be delivered by the Department of Environment, Land, Water and Planning from 1 July 2019

	2019 \$
<b>Income from transactions</b>	
Government grants	100,698,200
Interest	651,364
<b>Total income from transactions</b>	<b>101,349,564</b>
<b>Expenses from transactions</b>	
Grant and program expenses	(93,989,409)
Employee benefits	(3,158,073)
Depreciation and amortisation	(165,877)
Occupancy costs	(556,178)
Finance costs	(254)
<b>Total expenses from transactions</b>	<b>(97,869,791)</b>
<b>Net result from transactions (net operating balance)</b>	<b>3,479,773</b>
<b>Other economic flows included in net result</b>	
Net gain / (loss) on non-financial assets (a)	-
Net gain / (loss) from other economic flows (b)	(286,942)
<b>Total other economic flows included in net result</b>	<b>(286,942)</b>
<b>Net result</b>	<b>3,192,831</b>
<b>Comprehensive result</b>	<b>3,192,831</b>

Note 9.2 Solar Victoria Balance Sheet

	2019 \$
<b>Assets</b>	
<b>Financial assets</b>	
Cash & deposits	15,572,844
Receivables	7,987,727
<b>Total financial assets</b>	<b>23,560,571</b>
<b>Non-financial assets</b>	
Property, plant & equipment	347,450
Prepayments	55,802
<b>Total non-financial assets</b>	<b>403,253</b>
<b>Total assets</b>	<b>23,963,823</b>
<b>Liabilities</b>	
Payables	10,297,075
Borrowings	20,701
Employee related provisions	286,942
Other Provisions	10,166,275
<b>Total liabilities</b>	<b>20,770,992</b>
<b>Net assets</b>	<b>3,192,831</b>
<b>Equity</b>	
Accumulated surplus/(deficit)	3,192,831
<b>Total equity</b>	<b>3,192,831</b>

## Note 10: Glossary of technical terms and style conventions

### 10.1 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.

## 10.2 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:



-

(xxx.x)

200x

200x 0x

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 legislations and pronouncements. This index has been prepared to facilitate identification of the Agency's compliance with statutory disclosure requirements.

Note: page references were removed from the disclosure index.

Legislation	Requirement	Page reference
<b>Standing Directions &amp; Financial Reporting Directions</b>		
<i>Report of operations</i>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	5
FRD 22H	Purpose, functions, powers and duties	5
FRD 8D	Departmental objectives, indicators and outputs	7–13
FRD 22H	Key initiatives and projects	7–13
FRD 22H	Nature and range of services provided	7–13
<b>Management and structure</b>		
FRD 22H	Organisational structure	14–18
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	12
FRD 10A	Disclosure index	79–81
FRD 12B	Disclosure of major contracts	28
FRD 15E	Executive officer disclosures	24
FRD 22H	Employment and conduct principles	21
FRD 22H	Occupational health and safety policy	20
FRD 22H	Summary of the financial results for the year	13
FRD 22H	Significant changes in financial position during the year	13
FRD 22H	Major changes or factors affecting performance	13
FRD 22H	Subsequent events	13
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	28
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	29
FRD 22H	Competitive Neutrality Policy Victoria	29
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	30
FRD 22H	Details of consultancies over \$10 000	26–27
FRD 22H	Details of consultancies under \$10 000	28
FRD 22H	Disclosure of government advertising expenditure	25
FRD 22H	Disclosure of ICT expenditure	28

Legislation	Requirement	Page reference
<b>Standing Directions &amp; Financial Reporting Directions</b>		
FRD 22H	Statement of availability of other information	30
FRD 24D	Reporting of officebased environmental impacts	83–88
FRD 25D	Local Jobs First	25
FRD 29C	Workforce Data disclosures	21
SD 5.2	Specific requirements under Standing Direction 5.2	110
<b>Compliance attestation and declaration</b>		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	110
SD 5.2.3	Declaration in report of operations	4
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	33
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	33
SD 5.2.1(a)	Compliance with Standing Directions	33
SD 5.2.1(b)	Compliance with Model Financial Report	33
<b>Other disclosures as required by FRDs in notes to the financial statements (a)</b>		
FRD 11A	Disclosure of Ex gratia Expenses	67
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	68
FRD 103H	NonFinancial Physical Assets	47
FRD 110A	Cash Flow Statements	38
FRD 112D	Defined Benefit Superannuation Obligations	45
<i>Note:</i>		
<i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.</i>		

<b>Legislation</b>	
<i>Freedom of Information Act 1982</i>	28
<i>Building Act 1993</i>	29
<i>Protected Disclosure Act 2012</i>	30
<i>Local Jobs Act 2003</i>	25
<i>Financial Management Act 1994</i>	4, 33, 34, 40, 67, 80

## Appendix 2: Office based environmental performance

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11 September 2019

### Independent Verification Statement:

#### Greenhouse Gas Operational Emissions 2018-19

To the Board of Directors and Executive of Sustainability Victoria,

Arup Australia Pty Limited (Arup) was engaged by Sustainability Victoria to undertake an independent verification of the organisation's operational Greenhouse Gas (GHG) emissions for the period 1 July 2018 to 30 June 2019. The management systems team of Sustainability Victoria is responsible for preparing an inventory of GHG emissions for its operations and to report and present the 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 ISO 14064. The scope and boundary of the GHG inventory is as per the Victorian Government, Department of Treasury and Finance's *Guidance for FRD 24D Reporting of office-based environmental data by government entities*. Sustainability Victoria has voluntarily included certain scope 3 emission sources beyond the requirements of FRD 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:

- 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;
- Correspondence with staff (by telephone and email) to understand the processes and controls applied in collecting and collating background data and undertaking calculations; and
- Sampling of data and underlying sources of information to test for completeness and accuracy.

These procedures were used as a foundation for our opinion and, where material 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:

- is materially correct and a fair representation of the supporting data and information; and
- was prepared in accordance with AS ISO 14064 in relation to GHG quantification, monitoring and reporting as per FRD No. 24D.

Based on 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, has been prepared in accordance with AS ISO 14064 and FRD 24D.

On behalf of Arup,



Joan Ko  
Associate  
Melbourne, Victoria

## Appendix 3: Office based environmental impacts

Environmental Aspect <sup>1</sup>	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Energy	Office tenant light and power (OTLP) use per THC <sup>2</sup>	Megajoules per THC	3,760	3,742	3,746	3,426	3,533	3,218
	Office tenant light and power use per FTE <sup>3</sup>	Megajoules per FTE	4,159	3,839	4,074	3,642	3,902	3,842
	Total Electricity use OTLP	Megajoules	473,733	437,821	445,738	430,539	438,153	479,540
	Use per square metre of office space	Megajoules per m <sup>2</sup>	244	224	228	221	225	246
	Total Green Power	%	100%	100%	100%	100%	100%	100%
	Base building apportioned electricity use	Megajoules	344,962	328,043	313,182	312,487	256,558	225,900
	Base building apportioned natural gas use <sup>4</sup>	Megajoules	264,451	164,334	242,643	198,360	196,642	157,065
	Total GHG emissions associated with OTLP	Tonnes of CO <sub>2</sub> –e	0	0	0	0	0	0
	Total GHG emissions associated with apportioned electricity use	Tonnes of CO <sub>2</sub> –e	126	121	109.61	103.29	84.09	73.42
	Total GHG emissions associated with apportioned gas use	Tonnes of CO <sub>2</sub> –e	15	9	13.40	11.01	10.87	8.71
Paper <sup>5</sup>	Use per THC	Reams per THC	5.2	5.2	4.7	4.1	4.7	5.09
	Use per FTE	Reams per FTE	5.8	5.3	5.1	4.4	5.2	6.07
	Recycled content	Percentage total	94%	100%	100%	100%	100%	100%
	Total use	Reams	655	606	563	515	583	758
	Paper GHG emissions	Tonnes of CO <sub>2</sub> –e	2	2	2	2	2	3

Environmental Aspect <sup>1</sup>	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Waste <sup>6</sup>	Generated per THC	Kilograms per THC	57.0	56	42	32	42	26
	Generated per FTE	Kilograms per FTE	63.0	58	45	42	46	32
	Organics per FTE	Kilograms per FTE	13.9	15.37	14	8	6	6
	Recyclables per FTE	Kilograms per FTE	44.7	36.92	23	19	35	19
	Landfill per FTE	Kilograms per FTE	4.3	5.58	8	8	4	6
	Organics	Total kg to processor	1,589	1,753	1,533	891	694	805
	Recyclable materials	Total kg to processors	5,093	4,211	2,549	2,245	3,977	2,374
	Landfill	Total kg to landfill	494	636	876	900	505	766
	Total recycled (incl Organics)	Percentage	93%	90%	82%	78%	90%	81%
	Waste GHG emissions	Kilograms	593	764	1,227	1,260	707	1,073

Environmental Aspect <sup>1</sup>	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Water	Apportioned Water per m <sup>2</sup> <sup>8</sup>	Kilolitres per m <sup>2</sup>	0.52	0.36	0.52	0.47	0.65	0.48
	Potable Consumption per THC	Kilolitres per THC	4.04	5.03	5.48	4.74	4.68	3.75
	Potable Consumption per FTE	Kilolitres per FTE	4.47	5.16	5.96	5.04	5.17	4.35
	Potable Consumption per unit of Office Space	Kilolitres per m <sup>2</sup>	0.26	0.30	0.33	0.31	0.30	0.29
	Total potable water consumption floor only	Kilolitres	509	589	652	595	581	564
	Recycled water floor only	Kilolitres	8	18	17.56	19.38	7.10	0.00
	Total apportioned water consumption <sup>8</sup>	Kilolitres	1,000.04	702	1,011	920	1,266	928
	Apportioned water consumption per THC	Kilolitres per THC	7.94	6	8.50	7.32	10.21	6.23
	Apportioned water consumption per FTE	Kilolitres per FTE	8.78	6.15	9.24	7.78	11.27	7.44



Environmental Aspect <sup>1</sup>	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Transportation <sup>10</sup>	Energy consumption per THC	Gigajoules per THC	4.11	4.25	3.59	2.40	3.65	2.24
	Energy consumption per FTE	Gigajoules per FTE	4.54	4.36	3.91	2.55	4.03	2.67
	Total energy consumption	Gigajoules	517.48	497.37	427.27	301.81	452.15	333.04
	Total vehicle travel by vehicle type <sup>10</sup>	Kilometres	236,808	233,114	204,015	181,169	225,853	154,113
	Total associated GHG emissions	Kilograms of CO <sub>2</sub> -e	34,630	33,284	28,892	20,342	30,475	23,213
	GHG emissions/1,000 km travelled	Kilograms of CO <sub>2</sub> -e	146	143	142	112	135	151
	Staff Travel associated with agency operations per THC	Kilometres per THC	1,879	1,992	1,714	1,442	1,821	1,034
	Staff Travel associated with agency operations per FTE	Kilometres per FTE	2,079	2,044	1,865	1,532	2,011	1,235
	Total air travel associated with agency operations	Kilometres	220,724	236,255	146,960	43,665	162,570	275,833
	Employees regularly using public transport, cycling or walking to and from work	Percentage	89.0%	90.8%	90.1%	89.3%	93.1%	96.9%
	Employees regularly using more sustainable modes of transport <sup>11</sup>	Percentage	28.8%	33.3%	29.1%	26.2%	28.3%	32.7%

Environmental Aspect <sup>1</sup>	Description	Unit of Measure	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Greenhouse Gas Emissions <sup>15,16,17,18</sup>	Total GHG emissions associated with scope 3 energy use <sup>12</sup>	Kilograms of CO2 -e	19,739	18,243	16,096	11,959	12,171	86,738
	Total GHG emissions associated with vehicle fleet	Kilograms of CO2-e	34,630	33,284	28,892	20,342	30,475	23,213
	Total GHG emissions associated with air travel <sup>13</sup>	Kilograms of CO2-e	75,830	72,562	43,665	47,547	35,707	73,409
	Total GHG emissions associated with waste disposal	Kilograms of CO2-e	593	764	1,227	1,260	707	1,073
	Total GHG emissions from staff commute <sup>18</sup>	Kilograms of CO2-e	120,576	163,394	108,884	107,349	107,918	105,902
	Total GHG emissions associated with scope of operational activities <sup>19</sup>	Kilograms of CO2-e	559,475	577,715	473,356	442,663	424,987	525,887

## Notes

1. During FY 2018/19, SV had an average of 458 clients / guest visitors per month which represents an overall increase of 13% increase from FY2017/18
2. THC = Average Total Head Count for FY 2018/19 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 averaged for the FY 2018/19. Temporary agency employees are not included in FTE.
4. Base building apportioned gas consumption is calculated from net lettable area. With SV occupying 1 floor our apportioned value is 2.9%.
5. One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
6. Waste figures from one-week-a-month measurements taken throughout 2017-18 which is meant to be within  $\pm 10\%$  accuracy.
7. Sustainability Victoria has on-site water meters that measure potable water use within the tenancy. For the purpose of calculating GHG emissions from water, these figures are not used in water reporting because they exclude Sustainability Victoria's apportioned share of base building water use.
8. Total water use figure calculated as an apportioned value (2.9%) based on Net Lettable Area occupied by Sustainability Victoria.
9. As of June 2014, vehicle fleet entirely made up of Hybrid Camrys which use unleaded fuel.
10. Value incorporates staff driving personal vehicles in some instances where fleet vehicles not accessible.
11. More sustainable modes of commuting include: cycling, walking and working from home.
12. The treatment of GreenPower changed in FY 2010/11, with GreenPower purchasing no longer considered abatement for Scope 3 emissions. While SV purchased 100% GreenPower, remaining scope 3 associated emissions has been offset through the purchase of an accredited carbon offset product.
13. Greenhouse estimations for years prior to FY 2010/11 have been adjusted based on updated formula. In this example the Radiative Forcing Index has been decreased from 5 in 2010/11 to 1.9 for the RFI factor and 1.09 for Uplift Factor this year. Previous years have been updated using the same factors as in 2011/12.
14. In environmental management system language 'greenhouse gas emissions' is not an Environmental Aspect but rather an Environmental Impact. For convenience it has been left in the Environmental Aspect column easier illustration.
15. Greenhouse Gas emission factors based on July 2018 National Greenhouse Accounts factors and EPA Victoria Greenhouse Gas Inventory Management Plan. Emissions from air travel are calculated using EPA Victoria Greenhouse Inventory management Plan, which references DEFRA methodology. Other factors are calculated using ATO, ABS, RACV, and V-Line data.
16. Emissions from publications are calculated using a methodology developed by The Gaia Partnership using the CO2counter technology.
17. GHG emissions calculations for water and A/C refrigerant were updated in FY 2013/14. Water emissions changed due to a change in the emissions factor from 2.34 kg/kL to 1.36 kg/kL.
18. GHG emissions from staff commute to and from work was incorporated beginning in FY 2012/13
19. The operational aspects included in the scope of activities for purchasing carbon offsets are: apportioned base building electricity and gas, office tenant light and power, kitchen and vehicle refrigerants, waste to landfill, air travel, public transport, taxi travel, fleet vehicles for work based activities, paper and publications consumption, water consumption, and staff commuting. Office, light and power are included even though GreenPower is purchased to illustrate the organisation's total GHG emissions associated with the scope of operational activities. A 10% buffer in the purchase of carbon offsets has been incorporated to cover any inaccuracies in calculating the components included within SV's Greenhouse inventory boundary.
20. Total vehicle travel distance was incorrectly reported in 2014/15. The correct value is 234,313km. This does not impact the GHG emissions reported.
21. The equation for Total GHG emissions associated with scope of operational activities for 14/15 did not include the Total GHG emissions from staff commute in 14/15 Annual Report. This has been corrected in 15/16.
22. 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
23. Total air travel associated with agency operations for 2016/17 (cell N51) was incorrect due to inadvertent cell references. Cell N51 now reflects the correct value (165,832km). The previously reported (incorrect) value was 43,665km. The air travel GHG emissions for that year (which were correctly referenced) have not been affected.
24. The recycled water system has not been in operation since July 2018 and thus zero values have been entered for recycled water for FY1819

## Appendix 4: Grant allocations

Organisation	Description	Payment \$
<b>Better Commercial Buildings Grants Program</b>		
Supports commercial buildings to evaluate and implement building energy efficiency improvements.		
Amora Hotel Riverwalk	Evaluate and undertake commercial building energy upgrades/improvements	22,727
Best Western Apollo Bay	Evaluate and undertake commercial building energy upgrades/improvements	2,440
BMG United Investments Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	5,000
CBM Australia	Evaluate and undertake commercial building energy upgrades/improvements	25,000
Developments Exhibition Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	25,000
Garda Capital Limited	Evaluate and undertake commercial building energy upgrades/improvements	3,870
Globe International	Evaluate and undertake commercial building energy upgrades/improvements	5,000
Hotel Lindrum	Evaluate and undertake commercial building energy upgrades/improvements	3,000
Investec	Evaluate and undertake commercial building energy upgrades/improvements	5,000
456 Lonsdale St Pty Ltd ATF Rosshandler Lonsdale Street Trust	Evaluate and undertake commercial building energy upgrades/improvements	21,200
Marysborough Golf Club	Evaluate and undertake commercial building energy upgrades/improvements	3,237
Melbourne Marriott Hotel	Evaluate and undertake commercial building energy upgrades/improvements	23,000
Northpoint	Evaluate and undertake commercial building energy upgrades/improvements	25,000
Petherbrige Family Superannuation Fund (Upsdown Investments)	Evaluate and undertake commercial building energy upgrades/improvements	3,250
RACV Centre Noble Park	Evaluate and undertake commercial building energy upgrades/improvements	23,302
RACV Club	Evaluate and undertake commercial building energy upgrades/improvements	5,000
RACV Eagle House	Evaluate and undertake commercial building energy upgrades/improvements	22,270
RE Funds Management Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	20,000
Ross House Association	Evaluate and undertake commercial building energy upgrades/improvements	25,000
Salland Nominees	Evaluate and undertake commercial building energy upgrades/improvements	5,000
Salta properties (West) – 37 Dunlop Road	Evaluate and undertake commercial building energy upgrades/improvements	22,772
Salta properties (West) - 1 Nexus	Evaluate and undertake commercial building energy upgrades/improvements	23,182
Salta properties (West) - 2 Nexus	Evaluate and undertake commercial building energy upgrades/improvements	22,772
Salta properties (West) - 4 Nexus	Evaluate and undertake commercial building energy upgrades/improvements	22,892
Small Giants	Evaluate and undertake commercial building energy upgrades/improvements	2,273
490 Spencer St Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	25,000
616 St Kilda Joint Venture	Evaluate and undertake commercial building energy upgrades/improvements	20,000
616 St Kilda Joint Venture – Primewest 607 Bourke	Evaluate and undertake commercial building energy upgrades/improvements	20,000
Stockland Property Management Pty Ltd – Point Cook Shopping Centre	Evaluate and undertake commercial building energy upgrades/improvements	3,850

Organisation	Description	Payment \$
Stockland Property Management Pty Ltd – Traralgon Shopping Centre	Evaluate and undertake commercial building energy upgrades/improvements	3,850
Stockland Property Management Pty Ltd – Wendouree Shopping Centre	Evaluate and undertake commercial building energy upgrades/improvements	3,850
Taras Nominees - Greensborough	Evaluate and undertake commercial building energy upgrades/improvements	19,800
Taras Nominees - Richmond	Evaluate and undertake commercial building energy upgrades/improvements	18,600
Victoria Gardens Development Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	22,400
Wheeler's Hill Shopping Centre	Evaluate and undertake commercial building energy upgrades/improvements	20,000
Yarra Valley Lodge Pty Ltd	Evaluate and undertake commercial building energy upgrades/improvements	23,000
<b>Climate Change Take2-Phase 2</b>		
Moreland City Council	Zero Carbon Moreland (ZCM) – engagement for urban communities transitioning to net-zero emissions.	35,000
<b>Community Power Hubs (CPH) Pilot</b>		
<b>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.</b>		
Ballarat Renewable Energy and Zero Emissions (BREAZE) Inc	Ballarat Community Power Hub	55,000
Bendigo Sustainability Group	Bendigo Community Power Hub	60,000
Gippsland Climate Change Network (GCCN)	Latrobe Valley Community Power Hub	55,000
<b>E-waste Campaign Implementation Support Grants</b>		
<b>Supports Victorian metropolitan local government organisations and Regional Waste and Resource Recovery Groups to deliver local education and communication activities that support the e-waste to landfill ban.</b>		
Barwon South West Waste and Resource Recovery Group	E-Waste Education Campaign Grant	45,000
Bayside City Council	E-Waste Education Campaign Grant	5,000
Boroondara City Council	E-Waste Education Campaign Grant	6,965
Brimbank City Council	E-Waste Education Campaign Grant	7,000
Cardinia Shire Council	E-Waste Education Campaign Grant	7,000
City of Darebin	E-Waste Education Campaign Grant	7,000
City of Greater Dandenong	E-Waste Education Campaign Grant	6,895
Gippsland Waste and Resource Recovery Group	E-Waste Education Campaign Grant	30,000
Goulburn Valley Waste and Resource Recovery Group	E-Waste Education Campaign Grant	30,000
Grampians Central West Waste and Resource Recovery Group	E-Waste Education Campaign Grant	60,000
Hobsons Bay City Council	E-Waste Education Campaign Grant	3,150
Hume City Council	E-Waste Education Campaign Grant	6,958
Knox City Council	E-Waste Education Campaign Grant	7,000

Organisation	Description	Payment \$
Loddon Mallee Waste & Resource Recovery Group	E-Waste Education Campaign Grant	25,500
Maribyrnong City Council	E-Waste Education Campaign Grant	7,000
Melbourne City Council	E-Waste Education Campaign Grant	7,000
Monash City Council	E-Waste Education Campaign Grant	7,000
Mornington Peninsula Shire Council	E-Waste Education Campaign Grant	6,965
Nillumbik Shire Council	E-Waste Education Campaign Grant	7,000
North East Waste & Resource Recovery Group	E-Waste Education Campaign Grant	50,000
Whittlesea City Council	E-Waste Education Campaign Grant	7,000
Wyndham City Council	E-Waste Education Campaign Grant	6,895
Yarra Ranges Shire Council	E-Waste Education Campaign Grant	6,363.64
<b>E-Waste Infrastructure Grants</b>		
Supports Victorian local governments to upgrade e-waste collection and storage facilities at primary and secondary sites identified in the Victorian E-waste Infrastructure Network (VECN) to support the e-waste landfill ban in Victoria.		
Ararat Rural City Council	E-waste infrastructure upgrade at Ararat Resource Recovery Centre	30,000
Ballarat City Council	E-waste infrastructure upgrade at Ballarat Transfer Station	29,145
Bass Coast Shire Council	E-waste infrastructure upgrade at Cowes Recycling Facility	28,695.30
Bass Coast Shire Council	E-waste infrastructure upgrade at Wonthaggi Transfer Station	28,695.30
Bass Coast Shire Council	E-waste infrastructure upgrade at Grantville Resource Recovery Centre	28,695.30
Baw Shire Council	E-waste infrastructure upgrade at Lardner Transfer Station	80,000
Baw Shire Council	E-waste infrastructure upgrade at Neerim South Transfer Station	67,068
Baw Shire Council	E-waste infrastructure upgrade at Trafalgar Transfer Station	71,248
Bayside City Council	E-waste infrastructure upgrade at Bayside Waste & Recycling Centre	30,000
Brimbank City Council	E-waste infrastructure upgrade at Brimbank City Council Detox Centre	20,507.70
Buloke Shire Council	E-waste infrastructure upgrade at Birchip Landfill	27,716.18
Buloke Shire Council	E-waste infrastructure upgrade at Sea Lake Resource Recovery Facility	19,750.26
Campaspe Shire Council	E-waste infrastructure upgrade at Mt Scobie Environment Centre	26,940
Campaspe Shire Council	E-waste infrastructure upgrade at Echuca Environment Centre	28,080
Campaspe Shire Council	E-waste infrastructure upgrade at Rushworth Transfer Station	29,880
Campaspe Shire Council	E-waste infrastructure upgrade at Rochester Transfer Station & Resource Recovery	15,405
Central Goldfields Shire Council	E-waste infrastructure upgrade at Carisbrook Transfer Station	30,000
City of Greater Geelong	E-waste infrastructure upgrade at Drysdale Resource Recovery Centre & Transfer Station	30,000
City of Greater Geelong	E-waste infrastructure upgrade at North Geelong Resource Recovery Centre	30,000
Colac Otway Shire Council	E-waste infrastructure upgrade at Alvie Transfer Station	1,181.78

Organisation	Description	Payment \$
Corangamite Shire Council	E-waste infrastructure upgrade at Corangamite (Naroghid) Regional Resource Recovery	30,000
Corangamite Shire Council	E-waste infrastructure upgrade at Timboon Transfer Station & Resource Recovery	30,000
East Gippsland Shire Council	E-waste infrastructure upgrade at Bairnsdale RRC	30,000
East Gippsland Shire Council	E-waste infrastructure upgrade at Bruthen Transfer Station	30,356.40
East Gippsland Shire Council	E-waste infrastructure upgrade at Mallacoota Transfer Station	27,319.01
East Gippsland Shire Council	E-waste infrastructure upgrade at Omeo Recycling & Recovery Transfer Centre	18,146.38
East Gippsland Shire Council	E-waste infrastructure upgrade at Orbost Transfer Station	16,946.65
Frankston City Council	E-waste infrastructure upgrade at Frankston Regional Recycling and Recovery Centre	30,000
Gannawarra Shire Council	E-waste infrastructure upgrade at Kerang Transfer Station	34,467
Gannawarra Shire Council	E-waste infrastructure upgrade at Cohuna Transfer Station	34,492.56
Golden Plains Shire Council	E-waste infrastructure upgrade at Rokewood Transfer Station	79,240
Greater Bendigo City Council	E-waste infrastructure upgrade at Eaglehawk Recovery & Sales Yard	29,700
Greater Bendigo City Council	E-waste infrastructure upgrade at Heathcote Transfer Station	21,600
Greater Bendigo City Council	E-waste infrastructure upgrade at Strathfieldsaye Transfer Station	29,700
Hepburn Shire Council	E-waste infrastructure upgrade at Creswick Transfer Station and Resale Centre	26,625
Hepburn Shire Council	E-waste infrastructure upgrade at Daylesford Transfer Station and Resale Centre	26,625
Hindmarsh Shire Council	E-waste infrastructure upgrade at Dimboola Transfer Station	30,000
Hindmarsh Shire Council	E-waste infrastructure upgrade at Nhill Transfer Station	30,000
Indigo Shire Council	E-waste infrastructure upgrade at Beechworth Transfer Station	28,907.70
Indigo Shire Council	E-waste infrastructure upgrade at Rutherglen Transfer Station	26,419.80
Knox Transfer Station	E-waste infrastructure upgrade at Wesburn Recovery & Waste Transfer Station	7,024
Loddon Shire Council	E-waste infrastructure upgrade at Boort landfill and recycle	27,570
Loddon Shire Council	E-waste infrastructure upgrade at Inglewood Transfer Station	17,328
Macedon Ranges Shire Council	E-waste infrastructure upgrade at Woodend Transfer Station	27,447.30
Macedon Ranges Shire Council	E-waste infrastructure upgrade at Kyneton Transfer Station	29,874.60
Macedon Ranges Shire Council	E-waste infrastructure upgrade at Romsey Resource Recovery & Transfer Station	26,580.60
Mansfield Shire Council	E-waste infrastructure upgrade at Mansfield Resource Recovery Centre	29,194.05
Mitchell Shire Council	E-waste infrastructure upgrade at Broadford Transfer Station	30,000
Mitchell Shire Council	E-waste infrastructure upgrade at Wallan Transfer Station	30,000
Moira Shire Council	E-waste infrastructure upgrade at Cobram Resource Recovery Centre	30,000
Moira Shire Council	E-waste infrastructure upgrade at Nathalia Transfer Station	30,000
Moira Shire Council	E-waste infrastructure upgrade at Numurkah Transfer Station	30,000

Organisation	Description	Payment \$
Moira Shire Council	E-waste infrastructure upgrade at Yarrawonga Transfer Station	30,000
Moonee Valley City Council	E-waste infrastructure upgrade at Moonee Valley Transfer Station	100,000
Moorabool Shire Council	E-waste infrastructure upgrade at Bacchus Marsh Transfer Station	29,995.85
Moorabool Shire Council	E-waste infrastructure upgrade at Ballan Transfer Station	18,387
Mornington Peninsula Shire Council	E-waste infrastructure upgrade at Mornington Transfer Station	28,430.40
Mornington Peninsula Shire Council	E-waste infrastructure upgrade at Rye Resource Recovery Centre	27,630.60
Mornington Peninsula Shire Council	E-waste infrastructure upgrade at Tyabb Transfer Station	25,738.50
Mount Alexander Shire Council	E-waste infrastructure upgrade at Maldon Transfer Station	22,500
Mount Hotham Alpine Resort Management Board	E-waste infrastructure upgrade at Mt Hotham Resource Recovery Centre	15,000
Moyne Shire Council	E-waste infrastructure upgrade at Killarney Transfer Station	30,000
Moyne Shire Council	E-waste infrastructure upgrade at Mortlake Transfer Station & Resource Recovery Facility	30,000
Mt Buller Mt Stirling Resort Alpine Management Board	E-waste infrastructure upgrade at Mt Buller Transfer Station	29,250
Murrindindi Shire Council	E-waste infrastructure upgrade at Kinglake Transfer Station	29,850
Murrindindi Shire Council	E-waste infrastructure upgrade at Alexandra Resource Recovery Centre	29,850
Northern Grampians Shire Council	E-waste infrastructure upgrade at St Arnaud Transfer Station and Landfill	30,000
Northern Grampians Shire Council	E-waste infrastructure upgrade at Stawell Transfer Station	30,000
Port Phillip City Council	E-waste infrastructure upgrade at Port Phillip Transfer Station (the Depot)	14,217.19
Pyreness Shire Council	E-waste infrastructure upgrade at Avoca Transfer Station	80,000
Pyreness Shire Council	E-waste infrastructure upgrade at Beaufort Transfer Station	79,804.80
Pyreness Shire Council	E-waste infrastructure upgrade at Snake Valley Transfer Station	20,000
Strathbogie Shire Council	E-waste infrastructure upgrade at Euroa Transfer Station	26,384.40
Strathbogie Shire Council	E-waste infrastructure upgrade at Nagambie Transfer Station	12,553.20
South Gippsland Shire Council	E-waste infrastructure upgrade at Koonwarra Transfer Station Koonwarra	30,000
South Gippsland Shire Council	E-waste infrastructure upgrade at Foster Transfer Station	30,000
South Gippsland Shire Council	E-waste infrastructure upgrade at Korumburra Transfer Station	30,000
South Gippsland Shire Council	E-waste infrastructure upgrade at Mirboo North Transfer Station	30,000
South Gippsland Shire Council	E-waste infrastructure upgrade at Venus Bay Transfer Station	30,000
Southern Grampians Shire Council	E-waste infrastructure upgrade at Hamilton Resource Recovery Centre	100,000
Stonnington City Council	E-waste infrastructure upgrade at Stonnington Waste Transfer Station	7,500
Surf Coast Shire Council	E-waste infrastructure upgrade at Lorne Transfer Station & Resource Recovery Facility	20,000
Surf Coast Shire Council	E-waste infrastructure upgrade at Winchelsea Transfer Station	30,000
Swan Hill Rural City Council	E-waste infrastructure upgrade at Swan Hill Big Green Shed	30,000



Organisation	Description	Payment \$
Swan Hill Rural City Council	E-waste infrastructure upgrade at Robinvale Landfill and transfer station	30,000
Towong Shire Council	E-waste infrastructure upgrade at Tallangatta Transfer Station	30,000
Towong Shire Council	E-waste infrastructure upgrade at Corryong Resource Recovery Centre	30,000
Wangaratta Rural City Council	E-waste infrastructure upgrade at Wangaratta Transfer Station	29,494.06
Wellington Shire Council	E-waste infrastructure upgrade at Yarram Transfer Station & Resource Recovery Facility	30,000
Wellington Shire Council	E-waste infrastructure upgrade at Heyfield Transfer Station	30,000
Wellington Shire Council	E-waste infrastructure upgrade at Maffra Resource Recovery Centre	30,000
Wellington Shire Council	E-waste infrastructure upgrade at Stratford Transfer Station & Resource Recovery Facility	30,000
Wellington Shire Council	E-waste infrastructure upgrade at Kilmany Transfer Station	30,000
Wodonga City Council	E-waste infrastructure upgrade at Wodonga Waste Transfer Station	29,700
Wyndham City Council	E-waste infrastructure upgrade at Wyndham Transfer Station	30,000
Yarra City Council	E-waste infrastructure upgrade at Clifton Hill Recycling Drop-off Centre	27,000
Yarriambiack Shire Council	E-waste infrastructure upgrade at Murtoa Transfer Station & Resource Recovery Centre	17,250
Yarriambiack Shire Council	E-waste infrastructure upgrade at Hopetoun Transfer Station	17,250
Yarriambiack Shire Council	E-waste infrastructure upgrade at Warracknabeal Landfill and Resource Recovery Centre	17,250

Organisation	Description	Payment \$
<b>Investment Support Grants</b>		
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.		
Casafico	Undertake full-scale weather and acoustic tests (resat respective providers) of the Polystat Fire Panel.	15,200
Circular Food	Fund the 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.	5,245
Close the Loop	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.	10,000
McMahons Pty Ltd	Support the acquisition and customisation of new equipment to expand McMahons' ability to recover and reprocess waste carpets into the FibreSand product for use on turfs and horse training tracks.	33,000
Bullock Proof Energy	Fund the enabling works of an on-farm biodigester of biosolid waste to turn into electricity for on-farm use and supply to the grid.	10,000
Polymer Holdings	Install and commission a Genox V600 Vision Series Single Shaft Shredder, a conveyer belt and other supporting equipment to enable reprocessing of locally sourced plastics waste.	5,000
RPM Pipes	Support RPM's purchase of equipment and research and development to develop civil pipes made from 100 per cent recycled plastic.	40,000
<b>Litter and Illegal Dumping Grants</b>		
Supports land managers to address the issues of littering in retail areas affecting waterways and the illegal dumping of waste in green spaces.		
Baw Shire Council	Security Poles and Cameras to help Reduce Illegal Dumping. Purchase and install camera poles and high quality security cameras at illegal dumping hot spots.	3,000
Cardinia Shire Council	Reducing Illegally Dumped Rubbish through CCTV and Signage. Purchase and install surveillance cameras at local dumping hot spots and install metal signs advising of monitoring at sites.	5,000
Corangamite Shire Council	Lismore - Street Litter Cleanup. Conduct litter audits. Purchase and install compactable litter bins and develop and implement an education campaign.	3,000
Greater Shepparton City Council	Bin It for A Greater Shepparton. Conduct litter audits of retail precincts, install signage and develop campaign messages.	4,000
Greater Shepparton City Council	Changing Illegal Dumping Behaviour. Purchase and install surveillance cameras at green space hotspots, install signage, develop campaign messages.	7,000
Kingston City Council	Don't Waste Our Green Wedge. Purchase and install a surveillance camera to monitor hot spot dumping areas, design media campaign to raise awareness of illegal dumping sites and develop an illegal dumping educational resource for residents and commercial operators located in the hot spot areas.	7,850
Yarra City Council	Keeping a Retail Strip Litter Free. Conduct visual litter audits, install signage on recycling bins and develop campaign messages.	7,000

Organisation	Description	Payment \$
<b>Local Government Energy Saver Program</b>		
<b>Stream 2 – supports resource constrained regional councils to undertake Detailed Facility Energy Audits on local government-owned facilities and buildings.</b>		
Ararat Rural City Council	Stream 2 - detailed energy audits on four council-owned facilities.	23,800
Benalla Rural City Council	Stream 2 – detailed facility energy audits on six council-owned facilities.	24,600
Buloke Shire Council	Stream 2 – detailed facility energy audits on ten council-owned facilities.	19,330
Central Goldfields Shire	Stream 2 - detailed energy audits on five council-owned facilities.	13,908
Colac Otway Shire Council	Stream 2 - detailed energy audits on nine council-owned facilities.	22,626
East Gippsland Shire Council	Stream 2 - detailed energy audits on eight council-owned facilities.	25,000
Gannawarra Shire Council	Stream 2 – detailed facility energy audits on seven council-owned facilities.	11,970
Hindmarsh Shire Council	Stream 2 – detailed energy audits on six council-owned facilities.	12,977
Horsham Rural City Council	Stream 2 - detailed energy audits on four council-owned facilities.	7,468
Loddon Shire Council	Stream 2 - detailed energy audits on 21 council-owned facilities.	24,570
Murrindindi Shire Council	Stream 2 - detailed energy audits on 14 council-owned facilities.	10,000
Northern Grampians Shire Council	Stream 2 - detailed energy audits on five council-owned facilities.	9,960
Pyrenees Shire Council	Stream 2 - detailed energy audits on four council-owned facilities.	12,660
Southern Grampians Shire Council	Stream 2 - detailed energy audits on four council-owned facilities.	13,500
Strathbogie Shire Council	Stream 2 - detailed energy audits on ten council-owned facilities.	23,908
Swan Hill Rural City Council	Stream 2 - detailed energy audits on 13 council-owned facilities.	24,610
Towong Shire Council	Stream 2 - detailed energy audits on 15 council-owned facilities.	10,000
West Wimmera Shire Council	Stream 2 - detailed energy audits on 14 council-owned facilities.	21,471
Yarriambiack Shire Council	Stream 2 - detailed energy audits on six council-owned facilities.	19,258
<b>Local Government Energy Saver Program</b>		
<b>Stream 3 – supports resource constrained regional councils to implement energy efficiency and renewable energy upgrades on priority local government-owned facilities and buildings.</b>		
Bass Coast Shire Council	Stream 3 - renewable energy (solar PV) upgrade on a council-owned facility.	58,460
Benalla Rural City Council	Stream 3 - energy efficiency and renewable energy upgrades on four council facilities.	25,470
Buloke Shire Council	Stream 3 - energy efficiency and renewable energy upgrades on ten council-owned facilities.	37,185
Colac Otway Shire Council	Stream 3 - energy efficiency and renewable energy upgrades on five council-owned facilities.	60,662.70
Corangamite Shire Council	Stream 3 - energy efficiency and renewable energy upgrades on six council-owned facilities.	37,701
East Gippsland Shire Council	Stream 3 - energy efficiency and renewable energy upgrades on ten council-owned facilities.	60,000
Gannawarra Shire Council	Stream 3 - energy efficiency and renewable energy upgrades on seven council-owned facilities.	68,227.50

Organisation	Description	Payment \$
Glenelg Shire Council	Stream 3 – energy efficiency (lighting, insulation and draft sealing) upgrades on four council-owned facilities.	15,157
Northern Grampians Shire Council	Stream 3 – energy efficiency and renewable energy upgrades on four council-owned facilities.	59,085.57
Northern Grampians Shire Council	Stream 3 – energy efficiency lighting upgrades on two council-owned facilities.	5,000
Southern Grampians Shire Council	Stream 3 – energy efficiency and renewable energy upgrades on four council-owned facilities.	43,026
Strathbogie Shire Council	Stream 3 – energy efficiency and renewable energy upgrades on five council-owned facilities.	25,000
Yarriambiack Shire Council	Stream 3 – energy efficiency lighting upgrades on two council-owned facilities.	7,651
Yarriambiack Shire Council	Stream 3 – energy efficiency HVAC system upgrade on a council-owned facility.	24,000

Organisation	Description	Payment \$
<b>Love Food Hate Waste Local Activity Grants</b>		
Supports local government organisations, waste and resource recovery groups (WRRGs), community organisations and education institutions to deliver local activities aimed at raising community awareness of the problem of food waste, and how to avoid it.		
Melbourne Farmers Markets	Love Food Hate Waste Hub on Wheels. Co-branded mobile food waste information hub to hold interactive workshops at the University of Melbourne Farmers Market.	1,995.60
Whitehorse City Council	Quest to Find DUELL's Best Waste-Free Masterchef. "Waste-free Masterchef" program. Food waste cooking competition, recipe book and promotion.	500
Worawa Aboriginal College Limited	Connecting to Tucker - Walking in Two Worlds in the Garden. Food waste education program establish a kitchen garden and program to integrate the project across the school curriculum and programs.	1,500
<b>Organics Industry Support Pilot Program</b>		
Supports Primary Producers, Local Government or Agricultural Research Development and Extension Organisations to purchase infrastructure, equipment or machinery that will facilitate the adoption of recycled organics used in agricultural production systems.		
Elmore Compost and Organics	Development of a subsoil compost applicator design and establishment of a subsoil amelioration demonstration near Elmore.	20,000
Hawkins Ag	Design and purchase of a subsoil compost applicator and establishment of a subsoil amelioration demonstration site near Winchelsea.	50,000
Resilience Farming	Purchase of a specialised compost that can produce compost with innovative feedstocks, such as waste plaster board and seaweed. This allows the recipient to make specialised compost for agricultural use.	50,000
University of Melbourne	Fund necessary improvements to a Grains Research and Development Corporation (GRDC) subsoil ameliorant applicator. This machine was then used to establish a recycled organics demonstration site at the University of Melbourne Dookie Campus.	30,000
<b>Recycling Industry Transition Support Grants – Round 1 &amp; 2</b>		
Supports Victoria's resource recovery sector to rapidly improve its capability and capacity to recover and reprocess plastics, paper and cardboard (PPC) waste to a commercial grade, enabling supply to more local and international markets.		
Australian Paper Recovery Pty Ltd	Installation of sorting and compaction equipment for waste paper that will have the capacity of processing 39,000 tonnes annually.	305,000
Branin Pty Ltd	Establishing EcoUnpack as an innovative, long term, domestic solution for recycling complex, plastic food packaging. The funding will support the sustainable recycling of over 200,000 tonnes per annum of packaged organic food waste. 7,000 tonnes per annum of plastic will be reprocessed.	445,000

Organisation	Description	Payment \$
Polymer Processes Pty Ltd	Commissioning of plastic washing equipment that can accept a wider range of plastic materials. Upgrading the treatment of wastewater from the wash plant, resulting in the production of higher grade outputs. The new equipment will increase processing capacity by 800kg/hr for plastics.	325,000
Polytrade Recycling	The installation of three plastic sorting machines to reprocess 10,400 tonnes annually of mixed plastics sourced from domestic recycling, into commercially saleable plastic products.	130,000
Tambo Waste Pty Ltd	Upgrade existing MRF to include equipment to reduce contamination of PPC and increased capacity by 5,000 tonnes annually.	47,000

Organisation	Description	Payment \$
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#### Regional Litter Plan Grants

Supports the Victorian Waste and Resource Recovery Groups (WRRGs) to develop Regional Litter Plans to address local litter issues, defined using the multicriteria analysis tool (Litter Scorecard).

Barwon South West Waste and Resource Recovery Group	Develop Regional Litter Plan	22,500
Goulburn Valley Waste and Resource Recovery Group	Develop four Regional Litter Plans across four waste and resource recovery regions for Gippsland WRRG, Goulburn Valley WRRG, Loddon Mallee WRRG and North East WRRG.	90,000
Grampians Central West Waste and Resource Recovery Group	Develop Regional Litter Plan	22,500
Metropolitan Waste and Resource Recovery Group	Develop Regional Litter Plan	22,500

#### Research, Development and Demonstration (RD&D) Grants

Supports Research Institutes and Industry to undertake research, development and demonstration projects that can increase the quantity of recycled products being sold in Victoria.

ARRB Group Ltd	Crumb Rubber Asphalt in Local Government Roads. Develop a VicRoads specification that allows use of crumb rubber in asphalt for use in local roads.	55,000
Downer EDI Works	Field trial – Soft Plastic and Glass in Asphalt Road. Constructing a demonstration road using recycled soft plastics, glass and toner cartridge in asphalt.	67,226
Hermetia Biosystems Pty Ltd	Recycled Glass Technology for Cost Effective Access Covers. Establish a demonstration facility to convert up to 100 tonnes of food waste per day into protein meal and fertiliser products.	120,000
RMIT University	Recycled Plastic and Rubber in Municipal Concrete Infrastructure. Develop a premix concrete incorporating recycled plastics and rubber.	50,000
RMIT University	LDPE and Crumb Rubber in Asphalt. Develop a performance-based classification system of plastic/rubber-modified bitumen. This would mean that the inclusion of recycled content is determined by performance rather than percentage.	25,000
Swinburne University of Technology	Demonstration Trial of Plastics and Glass in Concrete Footpath. Using previously SV funded Research & Development results to demonstrate the performance of plastics and glass in concrete footpaths.	40,000
Swinburne University of Technology	Developing a VicRoads Specification for Local Roads. Develop a VicRoads specification for local roads that permits the use of crushed glass, concrete and brick.	100,000
Swinburne University of Technology	Recycled Plastics in Concrete Void Former. Undertake material characterisation of recycled plastics (supplied by GT Recycling) and injection moulding flow analysis, to understand performance in the Robovoid (concrete) void former.	55,000

Organisation	Description	Payment \$
University of Melbourne	Permeable Pavements using Recycled Aggregates. A demonstration project trialling a permeable pavement (reducing run off/flooding), using recycled concrete, brick, glass, plastics and rubber, under real traffic conditions.	40,000
University of Melbourne	Lightweight concrete R&D project Constructing a demonstration site at a Level Crossing Removal Authority project site to trial the glass fines as a sand replacement in concrete in a real-world application.	50,000
Yarra City Council	Understanding Benefits in Separating Glass at the Kerbside. Trialling a separate glass collection with approx. 1,300 residents and using the collected glass in asphalt to demonstrate performance in municipal road construction.	25,000

Organisation	Description	Payment \$
<b>Resource Recovery Infrastructure Fund</b>		
Plascorp	Install a granulator and a microniser to recycle broken PVC pipe from sites into new PVC piping product for non-pressure applications	63,255
<b>Resource Recovery Infrastructure Fund Infrastructure Grants – Round 1 (Metropolitan Melbourne)</b> <b>Supports Metropolitan councils and private enterprises (businesses) for resource recovery infrastructure development (collection, sorting or processing).</b>		
Advanced Circular Polymers Pty Ltd (ACP)	ACP aim to increase the diversion of flexible plastic from landfill by over 10,000tpa through the development of an advanced recycling facility.	175,000
CMA Ecocycle Pty Ltd	Deliver a Victorian-wide solution for recycling all types of batteries by establishing a collection system to capture as many batteries as possible. The new plant will be custom built with some pre-sorting, automatic-sorting and manual sorting.	250,000
Enrich 360 Pty Ltd	Installation of 18 food organic dehydration units to restaurants, hospitals and similar facilities to allow waste to be collected and then turned into compost.	98,000
Future Metals Recyclers Melbourne Pty Ltd	Upgrade of the Cardinia Transfer Station to increase tonnage of materials recovered at the site.	455,000
Knox Transfer Station Pty Ltd (KTS Recycling)	Establish a Process Engineered Fuel manufacturing facility at the Knox Transfer Station.	40,000
Melton City Council	Upgrade the Melton Recycling Facility to Better Practice Resource Recovery standards.	150,000
Polymeric Powders Company Pty Ltd	Create tyre crumb derived Polymeric Powder from end-of-life tyres for use in the large volume irrigation pipes and sewerage pipes markets.	65,000
Polytrade Pty Ltd	Install machinery to colour sort and clean the 3–8mm fraction into 22,000 tonnes per annum of saleable products.	275,000
Repeat Plastics Australia Pty Ltd (Replas)	Purchase and install new proven re-processing equipment to allow the recycling more post-consumer waste.	10,000
Reground Pty Ltd	Infrastructure to allow an expansion of the current collection of spent coffee grounds from retail and manufacturing venues. They will also institute a concurrent flexible plastics recycling collection.	18,000
Repurpose-It Pty Ltd	Establish a state of the art washing facility which will utilise world's best practice technologies in the processing of typically untreatable waste streams currently being sent to landfill.	355,000

Organisation	Description	Payment \$
Yarra City Council	Provide a kerbside food waste collection service to 5,000 residents to recover and process 910 tonnes of priority materials at a local in-vessel composting facility. Resulting compost will be used in parks and available to residents. A community education and engagement campaign will support success.	105,000
<b>Resource Recovery Infrastructure Fund Infrastructure Grants – Round 2</b>		
<b>Supports rural and regional councils and businesses with projects located in and servicing rural and regional Victoria for development of infrastructure which improves the collection, sorting and processing of recycled materials.</b>		
Benalla Rural City Council	Construct a modern Resource Recovery Transfer Station.	20,000
Campaspe Shire Council	Upgrade of infrastructure on-site to recover flexible plastics and polystyrene.	71,144
Campaspe Shire Council	The rollout of a kerbside food and garden organics (FOGO) collection service to 8000 residents in the municipality (i.e. all with new food and 2000 with food and garden).	160,000
Camperdown Compost Company	Infrastructure to increase the composting capabilities at the site.	10,000
iGas Operations Pty Ltd	Develop a scalable Waste to Energy facility at the Maddingley Brown Coal site and install a Materials Recycling Facility (MRF) for sorting.	200,000
Mitchell Shire Council	Develop a new Resource Recovery Centre (RRC) which will be established on Council owned land, adjacent to Mitchell Landfill in Hilldene.	40,000
Moir Shire Council	Enable industrial waste sorting at the Cobram Resource Recovery Facility. This includes materials such as soft plastics, cardboard, dirt, concrete, metals and timber.	60,000
Pinegro Products Pty Ltd	Design, build and operate a best practice enclosed tunnel compost facility for the Gippsland Region that enables the maximum amount of waste to be diverted from landfill and positively re-used as a renewable resource.	20,000
Towong Shire Council	Upgrades to the Corryong Resource Recovery Centre and the Tallangatta transfer Station and establishment of two resale shops.	15,000
Wangaratta Rural City Council (RCOW)	Construction of an organics processing facility.	181,250
Western Composting Technology Pty Ltd	Shepparton Organics Resource Recovery Facility (SORRF) Plant Capacity Increase. Increase the capacity of the composting plant and construct two tunnels for processing commercial and Food Organics, Garden Organics (FOGO) waste.	170,302.39
Yarriambiack Shire Council	Upgrade of the Warracknabeal Transfer Station to allow for the closure of the unlicensed landfill at the same site. The upgrade will allow for increased recyclables collection including agricultural soft plastics such as grain bags and tarpaulins.	35,000
<b>Resource Recovery Infrastructure Fund Infrastructure Grants – Round 3</b>		
<b>Supports councils or businesses located in and servicing Victoria for development of infrastructure that improves the collection, sorting and processing of recycled materials.</b>		
30xy Group Pty Ltd	Funding of a wet recycling system. The project will allow 30XY/Reclaim to recover 100% of solid waste and over 95% of water from waste collected as food waste and street sweepings, diverting 24,700 tonnes of solid material and 13,000 tonnes of organic waste from landfill per year.	3,000
Back Again Recycling Pty Ltd	Creation of a C&D waste recovery centre targeting the residential construction industry. The project will process up to 95,000 tonnes in the first year.	500,000
Bingo Waste Services Pty Ltd	Establishment of technically advanced Recycling Centre in Braeside to process mixed solid inert commercial and industrial (C&I) and C&D waste, and putrescible garden waste. Diversion of approximately 80,000 tonnes/ annum of target waste streams in its first year of operation.	3,000

Organisation	Description	Payment \$
Cleanaway Waste Management Limited	Upgrade of the Clayton Resource Recovery Centre. This presents an opportunity to recover an additional 15,400 tonnes/annum.	5,000
Commercial Tippers Pty Ltd	Commercial Tippers in conjunction with Smart Recycling, plan to build a Construction and Demolition Waste (C&D) and Commercial and Industrial Waste (C&I) Sortation Facility. The facility will accept up to 160,000 tonnes per annum of material.	360,000
Greater Shepparton City Council	Installation of new bins at Ardmona and Murchison Resource Recovery Centres to allow for the recovery of rigid and soft plastics, cardboard and paper.	8,000
Integrated Recycling Pty Ltd	Build the first stage of the Duratrack composite recycled plastic sleeper production line with a capacity to produce between 50,000 and 80,000 recycled plastic railway sleepers per year.	5,000
National E Waste Alliance Pty Ltd	The National E-Waste Alliance, in collaboration with WDEA (a disability employment enterprise), will establish a network of collection points across the Western districts of Victoria to permit the drop off of end of life electronics not covered under the Federal National Television and Computer Recycling Scheme.	3,000
Outlook (Vic) Inc	Establish a new Resource Recovery Facility within the western suburbs of Melbourne in an appropriate industrial use zone. Outlook employs an integrated workforce comprising employees with a disability or mental illness, long term unemployed and open employees.	1,000
Poly Pac Recycling	New facility for PET/ HDPE / LDPE plastic recycling to prepare materials for downstream remanufacturing.	20,000
ReSourc Pty Ltd	Expansion of existing plant to increase capacity and widen the range of batteries which can be processed along with installing an automatic mechanical and optical sorting line for maximum sorting purity.	5,000
RPM Pipes	Add a large shredder to the existing plastics processing facility to automatically and continuously process large plastic articles without pre-cutting by hand, which then makes them suitable for further processing through the existing washing system.	14,000
Sims Recycling Solutions (SRS)	Statewide collection system for end of life electrical and electronic waste (e-waste) and batteries and processing facility.	3,000
Warrnambool City Council	Introduction of a new kerbside food organics/garden organics (FOGO) collection service to over 15,000 households. The project and resultant ongoing service will generate a reduction of waste to landfill of potentially 8,500 tonnes/annum.	291,000

#### **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.

Christie Centre Inc	Construction of a resource recovery facility near the weigh-bridge at the Mildura landfill. This will enable customers to drop-off items for recovery prior to entering the landfill transfer station.	75,000
Green Collect Limited	Purchase new infrastructure to manage expanded service delivery and enable processing of commodities.	50,000
Grow Lightly	Cool room and refrigeration equipment and relocation to larger premises in a more central location.	13,000
P&G Tubes	Upgrade of their existing paper and cardboard manufacturing facility, including the construction of a storage facility and the purchase of operating equipment to expand their current operations.	100,000



Organisation	Description	Payment \$
<b>SV Business – Boosting Productivity Business Capability Grants</b>		
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)	Long Term Energy Efficiency Capability Program. Provide a multi-learning pathway on energy efficiency for SME manufacturers. Business employees will participate in workshops, one on one mentoring and business coaching.	70,000
Australian Refrigeration Association	Refrigeration Operational and Energy Performance Benchmarking. 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.	60,000
Bayside City Council	Golden Opportunities. Provide training and workshops in energy efficiency for operations managers of aged cared facilities in the City of Bayside.	5,000
Melbourne Polytechnic	Next Generation Electricians. 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.	30,000
Nillumbik Shire Council	Enabling Energy Efficiency. 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.	5,180
Vegetable Growers Association of Victoria (AUSVEG VIC)	Victorian Vegetable Growers Energy Efficiency Program. 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.	45,500

Organisation	Description	Payment \$
<b>SV Business – Boosting Productivity Energy Assessment Grants</b>		
Supports businesses spending over \$20,000 a year on energy, to commission a basic or detailed energy assessment to identify and implement energy improvements.		
Adaptalift (PC Investments)	Basic Energy Assessment	2,000
Alba Cheese Pty Ltd	Detailed Energy Assessment	3,000
Apollo Bay Fishermen's Co-Operative Society Ltd	Basic Energy Assessment	9,000
Apollo Bay Hotel	Basic Energy Assessment	6,342
Ararat Abattoirs Pty Ltd	Detailed Energy Assessment	12,500
Arcare Aged Care	Detailed Energy Assessment	29,900
Asahi Premium Beverages Pty Ltd	Detailed Energy Assessment	8,250
Ausfresh Pty Ltd	Detailed Energy Assessment	13,800
Australian Brewers Guild Pty Ltd	Basic Energy Assessment	2,000
Ballarat Schnitzels Pty Ltd	Basic Energy Assessment	8,550.45
Bayley House	Basic Energy Assessment	3,000
Bendigo Stadium Ltd	Detailed Energy Assessment	10,840
Boge Elastmetall Australia	Basic Energy Assessment	2,000

Organisation	Description	Payment \$
Bombardier Transportation Australia Pty Ltd	Detailed Energy Assessment	6,550
Bradwell Dairy Co Pty Ltd	Basic Energy Assessment	3,000
Britannia Metal Industries (Vic) Pty Ltd	Detailed Energy Assessment	4,540
Britton Timbers Processing Pty Ltd (Premier Wood Machining Services)	Detailed Energy Assessment	3,275
Bromac Farming	Detailed Energy Assessment	6,475.10
Burra Foods Pty Ltd	Detailed Energy Assessment	3,000
Business Efficiency Solutions	Basic Energy Assessments for Rawson Village, Hollowacare, Forest Edge. Aveo and Chromagen.	13,000
Business Efficiency Solutions	Basic Energy Assessment for VicSpa, Portland Cool Store and Warragul Dry Cleaners.	9,000
Butler Market Gardens Pty Ltd	Detailed Energy Assessment	13,930
Caltex Australia Petroleum Pty Ltd	Basic Energy Assessment	1,200
Campbell Australia Pty Ltd	Detailed Energy Assessment	14,277
Capilano Honey Limited	Basic Energy Assessment	5,000
Caps and Closures Pty Ltd	Detailed Energy Assessment	5,000
Catalent Australia Pty Ltd	Detailed Energy Assessment	2,999
Champion Pictures Pty Ltd	Detailed Energy Assessment	14,118.60
Christian Youth Camps Ltd	Detailed Energy Assessment	3,000
Class Plastics Aust Pty Ltd	Detailed Energy Assessment	9,000
Colonial Brewing Co	Detailed Energy Assessment	3,000
Complete POD Solutions Pty Ltd	Detailed Energy Assessment	11,948.16
Composite Materials Engineering Pty Ltd (CME)	Detailed Energy Assessment	10,765
Coolibah Herbs	Detailed Energy Assessment	15,000
Corafeld Farms	Detailed Energy Assessment	6,200
Corrigan Produce Farms	Detailed Energy Assessment	16,379.27
Croc's Playcentre and Café Narre Warren	Basic Energy Assessment	1,394
Crown Melbourne Limited	Detailed Energy Assessment	7,600
CW Droppert & SH Jefford (Clydebank Dairy)	Detailed Energy Assessment	3,000
Dicky Bill Farming Pty Ltd	Detailed Energy Assessment	12,170
Denso Australia Pty Ltd	Basic Energy Assessment	5,000
Ego Pharmaceuticals Pty Ltd	Detailed Energy Assessment	14,582.50
Enviropacific Services Pty Ltd	Detailed Energy Assessment	15,000
Eirenclare Farms	Detailed Energy Assessment	7,352.28
Exquisine Pty Ltd	Basic Energy Assessment	4,200
Faith Christian Church Inc	Detailed Energy Assessment	6,820

Organisation	Description	Payment \$
Falls Creek Ski Lifts Pty Ltd (Falls Creek Alpine Resort)	Detailed Energy Assessment	30,000
Flavorite Hydroponic Tomatoes Pty Ltd	Detailed Energy Assessment	12,000
Foamex Victoria Pty Ltd	Detailed Energy Assessment	13,000
Forth Farm Produce Pty Ltd T/A Riverside Produce	Detailed Energy Assessment	11,380
Frangapane Farms	Detailed Energy Assessment	14,000
Fresh Fields Mushrooms Victoria Pty Ltd	Detailed Energy Assessment	8,355
Froniditha Care	Detailed Energy Assessment	28,005
Gazzola Farms Pty Ltd	Detailed Energy Assessment	9,000
Geelong Glass & Aluminium Pty Ltd	Detailed Energy Assessment	14,000
Gray Wigg Pty Ltd	Detailed Energy Assessment	9,071.10
Great Ocean Road Coast Committee Inc	Detailed Energy Assessment	13,000
Green Onions Pty Ltd	Basic Energy Assessment	5,000
Guzman Y Gomez	Basic Energy Assessment	10,000
Hayleycross Pty Ltd	Detailed Energy Assessment	6,250
Homestyle Aged Care Services Pty Ltd	Detailed Energy Assessment	6,000
Horsham Sports & Community Club	Detailed Energy Assessment	9,125
Hydraulic Pneumatic Pty Ltd	Basic Energy Assessment	2,000
Idyll Wine Co Pty Ltd	Detailed Energy Assessment	393
IGA Cheltenham	Detailed Energy Assessment	5,000
Indochinese Elderly Refugees Association Vic Inc	Detailed Energy Assessment	5,125
Ingenia Ina Operations Pty Ltd	Detailed Energy Assessment	4,450
Innstay Serviced Apartments	Basic Energy Assessment	1,800
Input Fitness Health Club (Style @ Sur Pty Ltd)	Detailed Energy Assessment	3,000
Jalplas Pty Ltd	Detailed Energy Assessment	15,835.70
KFC Ararat	Detailed Energy Assessment	8,750
Kingfield Galvanizing Pty Ltd	Detailed Energy Assessment	9,750
Manpak Pty Ltd	Detailed Energy Assessment	12,400
Marand Precision Engineering Pty Ltd	Detailed Energy Assessment	9,000
Mason Brothers Vegetable Farms	Detailed Energy Assessment	5,910
MCC Corp Pty Ltd (MCC Meats)	Detailed Energy Assessment	8,485
McDonald's Niddrie	Detailed Energy Assessment	4,290
Mildura Golf Resort	Detailed Energy Assessment	12,850
Moondarra Cheese Pty Ltd	Detailed Energy Assessment	3,000

Organisation	Description	Payment \$
Nando's Australia Pty Ltd	Detailed Energy Assessment	10,600
NCI Packaging	Detailed Energy Assessment NCI Packaging Tullamarine	3,000
NCI Packaging	Detailed Energy Assessment NCI Packaging Preston	2,760.80
Neerim District Health Service	Detailed Energy Assessment	3,000
New World Whisky Distillery Pty Ltd	Detailed Energy Assessment	8,500
Nillumbik Community Health Service Ltd (healthAbility)	Detailed Energy Assessment	2,250
Omniblend Pty Ltd	Detailed Energy Assessment	3,000
Pakenham & District Hospital Inc (Millhaven Lodge)	Detailed Energy Assessment	1,250
Peter Schreurs & Sons	Detailed Energy Assessment	12,560
Planex Sales Pty Ltd	Detailed Energy Assessment	3,000
Portikal Eleven	Detailed Energy Assessment	8,875.40
Precision Plating (Aust) Pty Ltd	Basic Energy Assessment	2,000
Prydes Confectionary Victoria Pty Ltd	Detailed Energy Assessment Knoxfield site	2,547.70
Prydes Confectionary Victoria Pty Ltd	Detailed Energy Assessment Broadmeadows site	3,000
Quality Bakers Australia Pty Ltd (Goodman Fielder)	Detailed Energy Assessment	12,080
Royal Automobile Club of Victoria (RACV) Ltd	Detailed Energy Assessment	5,000
Rawson Caravan Park	Detailed Energy Assessment	5,000
Red Rooster Foods Pty Ltd	Basic Energy Assessment	4,125
Regis Aged Care Pty Ltd	Detailed Energy Assessment	28,408
Robert Bosch (Australia) Pty Ltd	Detailed Energy Assessment	20,000
Rutherford Orchards	Basic Energy Assessment	5,000
Rutherglen IGA	Basic Energy Assessment	7,930
Saputo Dairy Australia Pty Ltd	Detailed Energy Assessment	36,000
Schreurs & Sons	Detailed Energy Assessment	19,545.45
Secura Lifestyle Shepparton East	Basic Energy Assessment	2,000
Secura Lifestyle (Big 4 Borderland Wodonga)	Basic Energy Assessment	5,000
Sims Group Australia Holdings Ltd (Sims Metal)	Detailed Energy Assessment	23,980
Smart Power Utilities	Basic Energy Assessment for Swan Hill Truck City, Ferntree Gully Holden, BP One Stop, Ferntree Gully Nissan, Knox Isuzu (Ferntree Gully Isuzu), Mildura Truck Centre, Shepparton Truck Centre, Swan Hill Kia, Swan Hill Toyota, Twin City Truck Centre and One Stop Car Wash.	23,800
Smart Power Utilities	Basic Energy Assessment for Southern Advanced Plants.	3,200
South Coast Junior Aquatics	Basic Energy Assessment	5,000

Organisation	Description	Payment \$
South Food Group Pty Ltd (Casalingo Smallgoods)	Detailed Energy Assessment	3,000
Sri Ananda Bhavan	Basic Energy Assessment	4,772.73
Steel Mains Pty Ltd	Detailed Energy Assessment	7,281.33
Sterling Plating Pty Ltd	Basic Energy Assessment	5,000
Stokehouse Pty Ltd	Detailed Energy Assessment	12,500
Stomping Ground Brewing Co Pty Ltd	Detailed Energy Assessment	2,869
Stuart Wines Company Pty Ltd	Detailed Energy Assessment	4,995
Sun Pharmaceutical Industries (Australia) Pty Ltd	Detailed Energy Assessment	6,397.50
Sunbury United Sporting Club	Detailed Energy Assessment	8,700
Suncorp Corporate Services Pty Ltd	Detailed Energy Assessment	2,250
Tempo Foods	Detailed Energy Assessment	9,900
The Delatite Hotel	Detailed Energy Assessment	1,964
The Dog Pty Ltd (Skinny Dog Hotel)	Detailed Energy Assessment	3,450
The Great Stupa Ltd	Detailed Energy Assessment	8,344.10
The Royal Melbourne Golf Club Inc	Detailed Energy Assessment	10,700
Trios Pty Ltd (Time out Melbourne)	Basic Energy Assessment	5,000
Value Heat Treatment	Detailed Energy Assessment	9,000
Veli Velisha Fresh Produce Pty Ltd	Detailed Energy Assessment	15,000
Viva Energy Australia Pty Ltd	Detailed Energy Assessment	10,931.80
Watermill Resources Pty Ltd	Basic Energy Assessments for Jamieson Caravan Park, The Boulevard Caravan Park, Stratford on the River Tourist Park, Eidon Pondage Caravan Park, Big 4 Castlemaine and Yarram Holiday Park	23,978.63
Woodlands Golf Club	Detailed Energy Assessment	7,190
Yarra Glen Grand Hotel	Detailed Energy Assessment	8,450
Yering Station	Detailed Energy Assessment	5,475

#### 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	Heat recovery from ricotta vats and refrigeration plant. Steam pipe insulation to minimise heat loss.	30,000
Alucoat Australia	Installation of air curtains to improve the gas efficiency of powder coating operations.	20,940
Asaleo Care Australia Pty Ltd	Removable insulation covers on pipe fittings.	25,512
Austral Hotel Trading Pty Ltd	Upgrades to enable fuel switching, eliminating reliance on LPG bottled gas.	10,000
Australian Tallow Producers Pty Ltd	Capital upgrades to reduce heat losses in the steam distribution system.	30,000
CMTP Pty Ltd	Installation of two heat recovery systems on two timber drying kilns.	23,750.40

Organisation	Description	Payment \$
Complete POD Solutions Pty Ltd	Installation of heat recovery system.	25,000
Denim 108 Pty Ltd (Nobody Denim)	Replacing an older boiler with a new energy efficient 500 kW steam boiler.	34,000
Dennison Foods Manufacturing	Decommissioning existing ageing gas boiler with a new 200 kW energy efficient boiler.	39,700
Exquisite Pty Ltd	Modify existing refrigeration plant to install two heat recovery system to preheat water to the boiler. Insulate piping and two concrete tanks to minimise hot water losses.	40,000
Foamex Victoria Pty Ltd	Installation of heat exchangers to preheat boiler feedwater. Replace the oven door seals and balance the oven air flows to minimise heat losses.	25,000
GrainCorp Foods Australia Pty Ltd	Optimising existing heat recovery system to increase the recovery and use of waste heat energy.	50,000
Hardwick Meat Works Pty Ltd	Installation of a new 2,000 kW hot water boiler and a new 55,000 litre hot water tank.	30,000
Holcim (Australia) Pty Ltd	Installation of two new 500 kW boilers to replace larger aged boiler.	50,000
Industrial Carbons (Australia) Pty Ltd (Hotshots BBQ Fuel)	Installation of an efficient new furnace to dry BBQ briquettes.	30,000
J&D Conti (Conti Orchards)	Replacing two LPG forklifts with two electric forklifts. The battery of the forklifts will be charged with excess power generated from an existing 100kW PV system.	40,550
Kagome Foods Australia Pty Ltd	Capital upgrades to four steam boilers, including improved metering, monitoring and control of the natural gas and water used.	23,293
Katunga Fresh Produce Pty Ltd	Expansion of operations from 12 to 16ha. Installation of an energy efficient 6 MW boiler and buffer tanks.	30,000
Madigan Fresh Produce Pty Ltd	Installation of thermal screens to reduce heat losses in a large glasshouse.	45,000
Manpak Pty Ltd	Upgrade an existing boiler and replace the standby boiler with an energy efficient gas boiler. Steam pipework will also be insulated.	8,142.50
Marble Developments Pty Ltd (My Beautiful Laundrette)	Replace twenty old inefficient laundry dryers with eighteen energy efficient dryers.	48,500
Mastercoat Pty Ltd	Installation of air curtains on power cure ovens to reduce heat loss.	18,000
Master Dry Cleaners	Replace existing old boiler with an energy efficient new boiler. Insulate steam pipes to reduce heat losses.	29,595.60
Mildura Meatco Pty Ltd	Replace old hot water boilers with two new 1MW energy efficient hot water boiler.	40,000

Organisation	Description	Payment \$
Nissan Casting Australia Plant	Installation of two new energy efficient preheat burner stations with automatic lowering lids to cover the ladle prior to the heating process and will include inline gas meters and control system.	50,000
Oak on Market	Replace existing pool heater with and energy efficient closed loop boiler and control system. Replace twelve old 5 star with a 6 star instantaneous hot water system with an energy efficient control system. This includes new temperature and pressure sensors, variable speed drives for the new pumping water system.	33,650
OJI Fibre Solutions Aus Pty Ltd	Replacement of burner with more efficient burner system with an oxygen trim system, variable speed drive, gas and steam meters.	50,000
Orora Limited	Replacement of inefficient space heaters with more efficient radiant tube heaters.	30,000
Pental Products Pty Ltd	Replacement of a 4MW gas boiler with a four 500 kW boilers.	30,000
Phillip Island Adventure Resort (Christian Youth Camps Limited)	Replace three old and inefficient dryers with three energy efficient dryers.	4,202.91
Planex Sales Pty Ltd	Installation of heat recovery and air curtains to improve the gas efficiency of powder coating operations.	7,072
Polydip Coatings Pty Ltd	Installation of air curtains to improve the gas efficiency of powder coating operations.	8,542
Precision Plating (Aus) Pty Ltd	Upgrading the gas curing oven with VSD on exhaust fan control and extended insulation of oven.	10,000
Pureharvest	Installation of a new 6 MW gas fired water tube unattended steam boiler.	40,000
Robert Bosch (Australia) Pty Ltd	Replacing two boilers with two energy efficient condensing boilers.	50,000
San Remo Fishermans Co-Op	Replacement of ten inefficient commercial fryers with newer faster energy efficient fryers	31,818
Saputo Dairy Australia	Installation of flexible removable thermal insulation jackets and thermal cladding insulation on pipes, dropper, boiler blowdown line, ash shut duct and feedwater tank.	20,000
SCS Plastics	Convert LPG forklifts to battery operated forklift which will be powered by the site's 300kW photovoltaic system.	24,250
Selkirk Pty Ltd	Upgrades to kiln for drying bricks. Installation of Ceridry and Kimo set, dryer vestibule doors, VSD to hot air fan and adjusting limits to dryer burner.	50,000
South Coast Junior Aquatics	Installation of hot water heat pumps which will replace a gas hot water system, the heat pumps will be powered by a new 45kW solar PV.	19,000
Sundown Foods Australia Pty Ltd	Eight inefficient boilers will be replaced with three larger energy efficient boilers.	40,000
Super Clean Linen Service	Installation of gas and steam metering.	8,000
Tatura Fresh Pty Ltd	Installation of automated shade and thermal screens in an existing 2.5ha glasshouse to reduce heat losses.	50,000
Value Heat Treatment	Installation of new burners and brick lining system on metal heat treatment furnace.	50,000
Victorian Wool Processors	Installation of new boiler and burner management system to two boilers.	23,750
W Ryan Abattoirs Pty Ltd	Install insulation over the whole steam ring main to reduce heat losses.	14,881
Warragul Drycleaners	Installation of a new energy efficient ironer.	22,000
Woods Furniture Pty Ltd	Installation of air curtains on cure and dry off ovens used to powder coat furniture.	24,857

Organisation	Description	Payment \$
<b>SV Business - Boosting Productivity Materials Assessment Grants</b>		
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	Detailed Materials Assessment	3,000
Don KRC	Detailed Materials Assessment	9,880
Mitchell Harris Pty Ltd	Detailed Materials Assessment	12,632.50
Nature's Best	Detailed Materials Assessment	6,000
One Paper Industries Aus Pty Ltd	Detailed Materials Assessment	10,000
Planex Sales Pty Ltd	Detailed Materials Assessment	11,505
Treasury Wine Estates Vintners Ltd	Detailed Materials Assessment	9,883.64
<b>Victorian Litter Innovation Fund – Round 2</b>		
Supports the Victorian community to deliver innovative solutions that prevent and reduce the impact of litter and illegal dumping through a partnership approach.		
Gannawarra Shire Council	Murray River Parks Litter Reduction. Technology to improve communication with visitors; physical signage at entrances to parks	2,000
Macedon Ranges Shire Council	Pick Up or Pay. Installation of infrastructure at hot spots identified within the shire for surveillance.	2,400
Merri Creek Management Committee Inc	Addressing Coburg's Pollution Hotspot. Targeted educational messages with local community to address Coburg's four key litter issues, sculptural addition to existing gross pollutant trap infrastructure to enhance its functional presence and role.	2,000
Monash City Council	CALD Dumped Rubbish? Not CALD at Fault! Hard waste collection in hotspots, monitor illegally dumped waste, develop communications strategy and education component.	1,450
<b>Victorian Organics Resource Recovery Strategy (VORRS) Grants</b>		
Australian Organics Recycling Association (AORA)	Deliver a workshop to update stakeholders on an SV funded review and amendment of Australian Standard 4419 Soils for Landscaping and Garden Use.	2,000
Biomix Pty Ltd	Establishment and management of a recycled organics demonstration site. The site demonstrates the beneficial use of recycled organics in broadacre agriculture.	19,750
Falkiner Ag Pty Ltd	Establishment of a recycled organics subsoil amelioration demonstration site at Freshwater, near Geelong. The site demonstrates subsoil amelioration as a beneficial use of recycled organics in Agriculture.	4,000
Port Phillip and Westernport CMA	Development, production and distribution of a tool for recycled organic market development in Vineyards. The tool (a slide chart) is an educational tool that also calculates the volume of compost required for mulching around grape vines.	11,542.50



## Appendix 5: Attestation for compliance with Ministerial Standing Direction

Sustainability Victoria Financial Management Compliance Attestation Statement

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

19 September 2019

## 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
CE	Circular Economy
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

Acronym	Description
ICT	Information and Communications Technology
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
RD&D	Research Development & Demonstration Grants
RISP	Recycling Industry Strategic Plan
RRIF	Resource Recovery Infrastructure Fund
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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