

Annual Report 2020–21



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Sustainability Victoria Annual Report 2020–21

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Important disclaimer: please note that all SV activities operate under COVIDSafe protocols, settings and CHO health directions and all images in this publication reflect those in place at the time they were taken, including some prior to March 2020.

SV values your feedback. Email feedback or questions to info@sustainability.vic.gov.au or speak to a customer services coordinator on +61 3 8626 8700.

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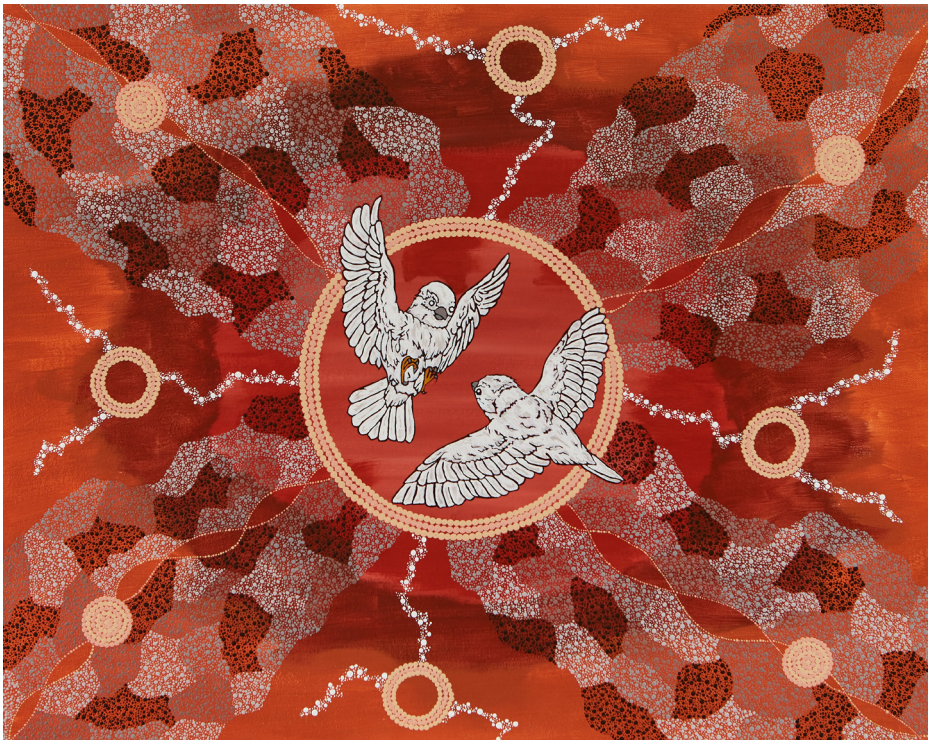
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Acknowledgment

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, and for their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We acknowledge that we live and work on the lands of the world's oldest and most sustainable culture. We acknowledge the deep connection to Earth of First Nations peoples and their invaluable contributions to our understanding of climate change and the environment.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



Jaye Richardson (Gunaikurnai) 'Two Spirits' 2019, acrylic on canvas



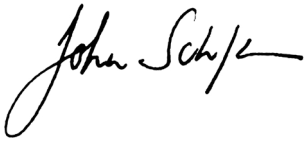
This artwork was created through The Torch, a not for profit organisation, that provides art, cultural and arts industry support to Indigenous offenders and ex-offenders in Victoria.



Declaration in report of operations

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 2021.

A handwritten signature in black ink, reading 'Johan Scheffer'.

Johan Scheffer
Chairperson
Sustainability Victoria

28 October 2021

Message from the Chair and CEO

Sustainability Victoria, as a trusted delivery agency of the Victorian Government partners with Victorian industries and businesses, entrepreneurs, cutting edge research institutions, schools, households, individuals, community groups and governments (Commonwealth and Local) to accelerate our transition to a circular, climate resilient clean economy.

With an ambitious \$70 million portfolio, Sustainability Victoria is delivering the bold and ambitious targets set by the Victorian Government's Recycling Victoria policy announced in February 2020 and Victoria's Climate Change Strategy announced in May 2021.

SV is an outcome-driven organisation with effective governance and evidence-based programs informed by research, data, market intelligence and community insights.

Waste is a design error. Our future is a future of commodities not waste, of circular regenerative resources. A future where all our resources are produced, consumed, collected, recycled and retained at their highest value, purchased and reused, circulating in perpetuity throughout the supply chain.

Key achievements this financial year include:

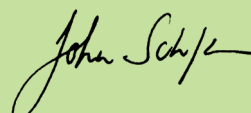
- ▶ The \$58 million Recycling Victoria Infrastructure Fund secured an additional \$35 million co-investment from the Australian Government, achieving a leverage ratio of 1:6 for every dollar invested by the Victorian Government.
- ▶ Demonstrated commitment to good governance with the SV Board undertaking a comprehensive Strategic Governance Review.
- ▶ Successful transition to 100% remote working in response to the coronavirus (COVID-19), with April 2021 staff survey results showing an improvement in staff wellbeing (very positive and positive) to 76% from 37% in Aug-20, with a welcome decline in poor/very poor from 17% to 6%.
- ▶ Recognised as a Leading Employer by IPAA Victoria Leadership in the Public Sector Awards.

Creating a circular economy and achieving 50 per cent emissions reduction by 2030 will require practical, and systemic community action across all economic sectors.

With a 120 per cent increase in our annual program delivery portfolio in FY2020–21 the organisation has undertaken a comprehensive reform program – SV Transform, with a new Executive Leadership Team appointed, and implementation of a new operating model co-designed by staff, amplifying our impact across investment and innovation, behaviour change and community action.

We thank the service and contributions of our outgoing Chair and Deputy Chair, Vicky Darling and Sarah Clarke in supporting SV during their five-year membership of the Board.

Every day, every Victorian can take action, working together knowing our collective efforts and contributions will achieve a more prosperous Victoria, a more prosperous economy, a more prosperous planet.



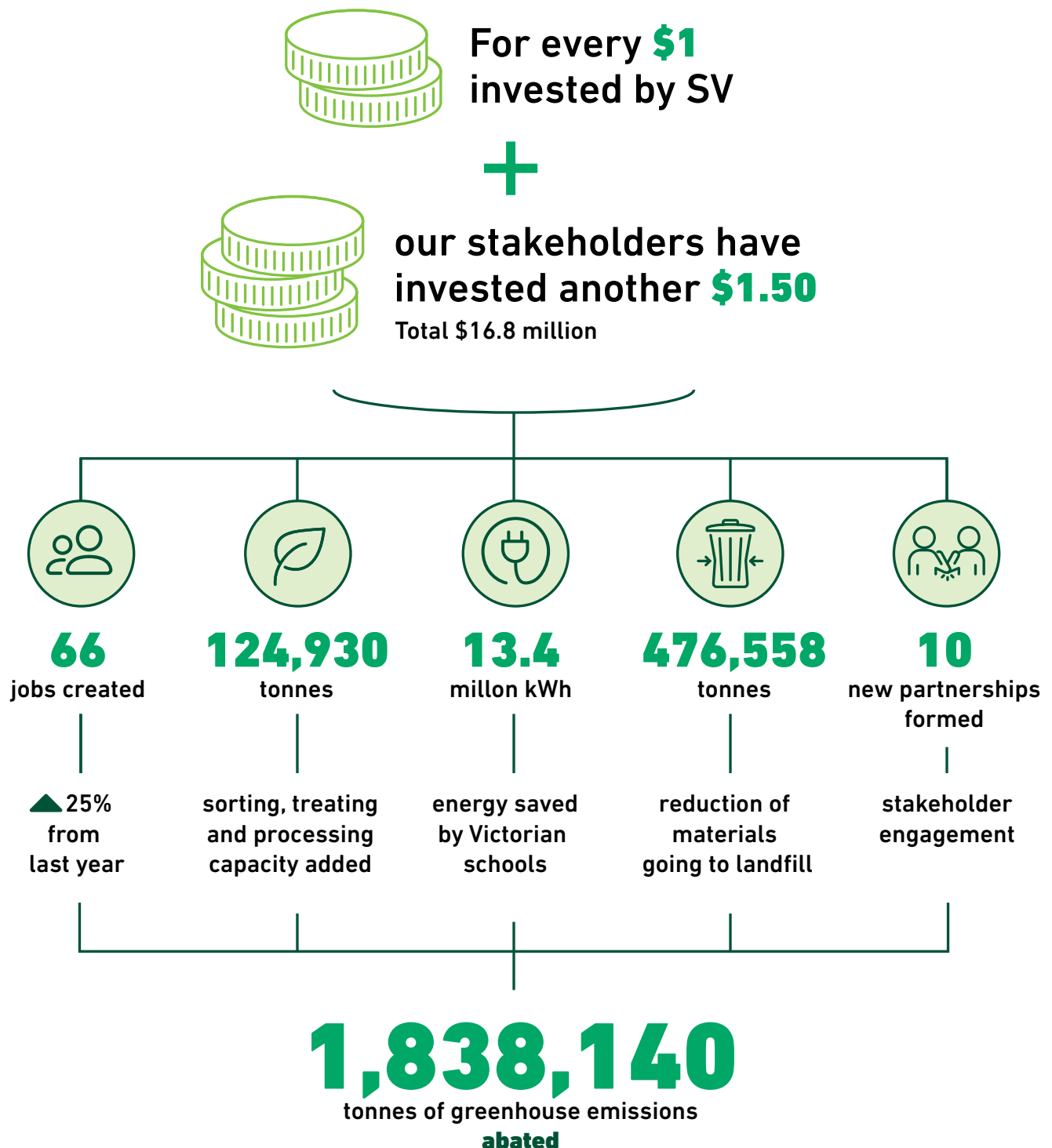
Johan Scheffer,
Chair



Claire Ferres Miles,
Chief Executive Officer

Our statewide impact for 2020-21

Key outcomes



About Sustainability Victoria

Sustainability Victoria (SV) is a delivery agency of the Victorian Government, working in close partnership across government, communities, sectors and industry partners. Our purpose is to achieve a circular, climate resilient and clean economy in Victoria and meet government targets in both recycling and net-zero emissions.

SV are passionate about creating a future where Victoria makes, uses, recycles and manages products, and supports innovative technology and business models that keep those materials circulating at their highest value for as long as possible.

SV promotes change from the individual and household level right through to communities, local government, regions and the state. Through our insights, research, demonstrations or facilitation skills, SV often act as an 'incubator' or provide the catalyst and evidence for the later scaling up of wider investment and transformation.

SV provides Victorians with practical ideas, support, services and advice to improve our social, economic and environmental future through collective action to transition to a healthy, resilient and strong economy.

Vision

A sustainable, thriving Victoria

Purpose

Transitioning Victoria to a circular, climate resilient and clean economy

Challenge

Net-zero emission, circular economy in Victoria

Our responsibilities

SV are responsible for delivering the Victorian Recycling Infrastructure Plan (formerly the Statewide Waste and Resource Recovery Infrastructure Plan) and initiatives to deliver the Recycling Victoria policy¹ as directed by the Minister's statement of expectations.

SV contributes to policy and legislative outcomes under the *Climate Change Act 2017*, Victoria's Climate Change Strategy, Energy Efficiency and Productivity Strategy, Renewable Energy Action Plan, the New Energy Technologies Sector Strategy, and the Recycling Industry Strategic Plan.

SV delivers programs based on strong technical skills, research, data and engagement to turn the Victorian Government's strategic commitments into practical outcomes.

Our Minister

SV reports to the Minister for Energy, Environment and Climate Change and Minister for Solar Homes, the Hon. Lily D'Ambrosio MP.

Our legislation

SV was established in 2005 and operates under the *Sustainability Victoria Act 2005* (SV Act) as a statutory agency of the Victorian Government in the Environment and Climate Change portfolio.

The planning responsibilities related to preparing a statewide infrastructure plan (and assisting in the preparation of regional waste and resource recovery implementation plans) are covered under the *Environment Protection Act 1970* (refer to Part IX, Division 2AC, sections 50AA to 50AH)².

¹ Please refer to <https://www.premier.vic.gov.au/recycling-victoria-leads-way-sustainable-future> for details of the new entity (also known as 'Recycling Victoria') that is anticipated to be operational from 1 July 2022. This includes consequential changes to SV operations, noting that SV will still be responsible for some key service delivery aspects of the RV policy.

² Sections 405 to 425 replace this reference; change effective from 1 July 2021.

Our government partners

SV works closely with our portfolio partners, the Department of Environment, Land, Water and Planning (DELWP) and the Environment Protection Authority (EPA).

Key partners include waste and resource recovery groups, the Department of Treasury and Finance, the Department of Premier and Cabinet, the Department of Education and Training, the Department of Families, Fairness and Housing³, the Department of Jobs, Precincts and Regions, the Department of Transport and many others.



Figure 1 Our partners

3 Part of the Department of Health and Human Services (DHHS) until 31 January 2021.

Our delivery framework

A circular, climate resilient clean economy for Victoria

Victoria has joined leading countries and states across the world by committing to reducing emissions and limiting global warming to under two degrees. Through the *Climate Change Act 2017*, the Victorian Government has legislated a net-zero greenhouse gas (GHG) emissions target by 2050 and is calling on all Victorians to help achieve this goal.

Victoria's *Climate Change Strategy* launched in May 2021 also sets out interim targets to reduce the state's emissions by 28–33 per cent by 2025, and 45–50 per cent by 2030 (from 2005 levels). This strategy and targets place Victoria among global leaders in climate action.

Under *Recycling Victoria (RV)*, the Victorian Government has also set an ambitious target to divert 80 per cent of waste from landfill by 2030, with a 72 per cent diversion rate by 2025, which also supports climate change action.

Our Business Plan

The *Sustainability Victoria Business Plan 2020-21* sets out our key deliverables against five strategic focus areas and eight outcomes.

Strategic Focus Areas

We influence producers and regulators³ to retain highest product value

We enable resource recovery and reuse

We lead community behaviour change to reduce emissions and waste

We proactively identify future opportunities through data insights and systems thinking

We partner with our community to achieve local solutions

³ Please note the reference to influencing regulators refers to the provision of SV data, research, insights and technical expertise to regulators, such as proposed policy or legislative changes.

Impact
Purpose
Challenges
SV UVP
Strategic Focus Areas
SV Outcomes

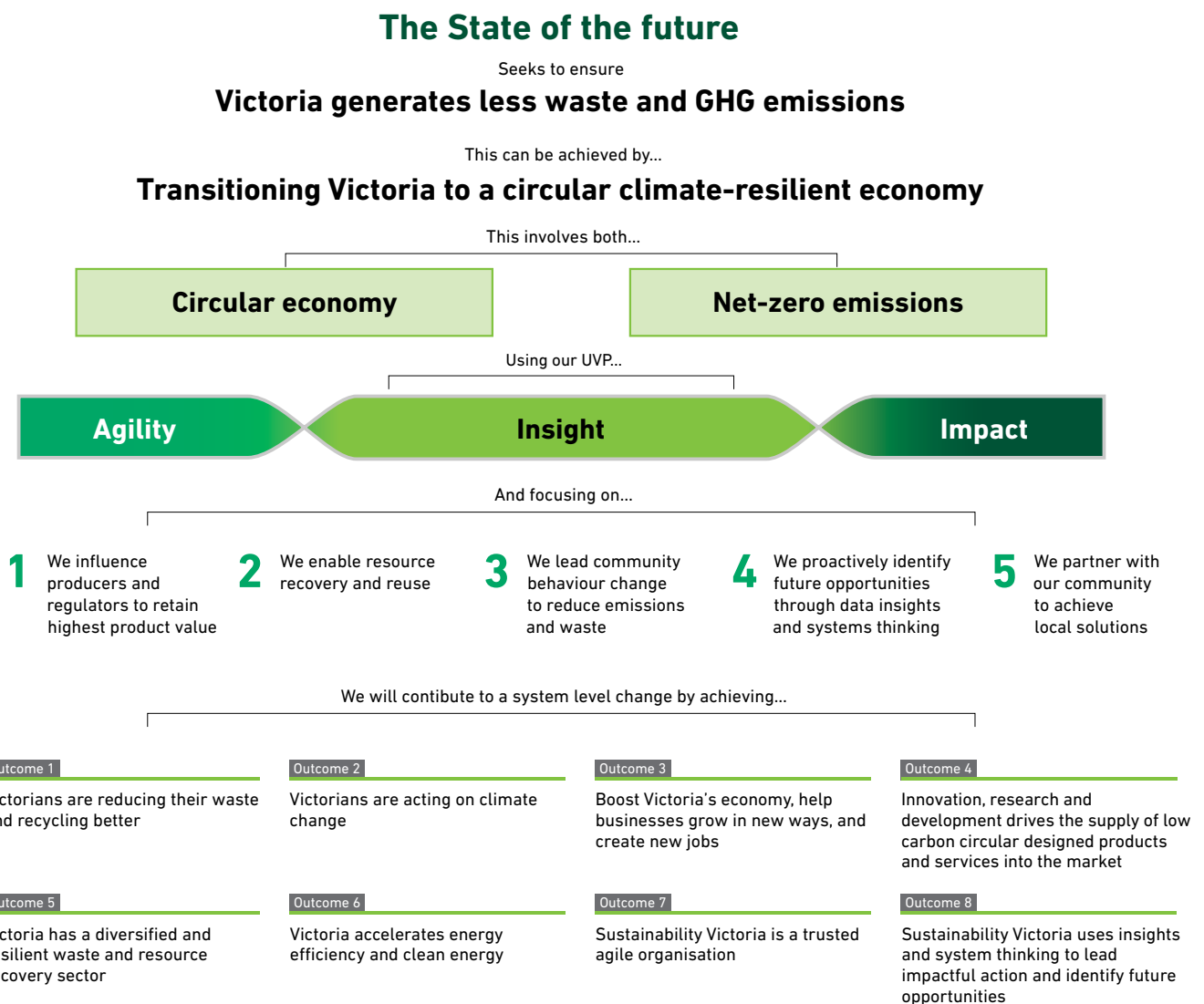


Figure 2 Our framework and strategic focus in 2020–21

United Nations Sustainable Development Goals

SV can map its outcomes against the United Nations Sustainable Development Goals (UNSDGs). The goals are part of the 2030 agenda for sustainable development, adopted by all United Nations Member States in 2015, to provide a shared blueprint for global peace and prosperity for people and the planet, now and into the future.

Our work aligns to 14 targets and 16 indicators of the UNSDGs in Figure 3. During 2021, SV started working on ways to better communicate our impacts against these targets and indicators in 2021-22.



Figure 3 Alignment with UNSDGs

Recycling Victoria

Launched in 2020, Recycling Victoria: A New Economy is the Victorian Government's circular economy policy and action plan to deliver a cleaner, greener Victoria with less waste and pollution, better recycling, more jobs and a stronger economy. Known as RV it sets an ambitious target to divert 80 per cent of waste from landfill by 2030 and will directly contribute towards achieving the interim emissions reduction targets outlined in Victoria's Climate Change Strategy. It also sets a 72 per cent diversion rate by 2025.

In a circular economy, waste is designed out of the system and products and materials are kept circulating in the economy at their greatest value for as long as possible.

SV is a key RV delivery agency. Under RV, SV will:

- make it easier for Victorians to reduce waste and recycle more – in the home, in our workplaces and in our communities
- work with industry to improve Victoria's waste and recycling infrastructure and capacity so Victorians can recycle more of what we use
- invest in research and facilitate collaboration – developing new products from the resources Victorians use to create new markets, new skills and new jobs
- support the safe management and disposal of hazardous waste – protecting our environment and our communities
- encourage people towards conscious consumerism and manufacturers towards product stewardship
- provide high-quality household kerbside and industry waste data so industry, businesses and councils can make informed and impactful decisions about product and process design, material use, reuse and recycling, and safe and effective waste disposal.

Emissions reduction

People and place are at the centre of our engagement on community action to tackle climate change, and SV has a long history of supporting community action. It is a fantastic way to accelerate our contribution towards tackling net-zero emissions by 2050.

Our collective impact covers the different ways that communities learn, live, work, play and more. It also acknowledges that we are all motivated by different factors – some environmental outcomes, others by local economic development opportunities, improved health or jobs growth.

As shown below, SV is delivering a portfolio of four mutually reinforcing programs to reduce emissions and encompass key aspects of community living.

Emissions reduction programs

7-star homes

Aim: Improve energy efficiency of new homes in Victoria by building the capability and capacity of key actors in the residential construction supply chain to design and build to a higher level of energy performance, ahead of anticipated changes to minimum energy efficiency standards for new homes.

Community Power Hubs

Aim: Fund community power hubs to empower communities to find local solutions to tackling climate change.

Community Climate Change and Energy Action program

Aim: Support community groups to invest in their facilities to reduce greenhouse gas emissions, improve climate change resilience and reduce energy cost exposure.

Small Business Energy Saver Program

Aim: Promote \$5 million in bonuses available to small businesses across Victoria who upgrade to energy-efficient equipment under the Victorian Energy Upgrades (VEU) program.

Coronavirus (COVID-19) – adapting our delivery

At SV, we are proud of how we have adapted to deliver for the Victorian Government and community in the face of sweeping changes to how we all live, work, and learn.

Much of our pivot was online as SV strived to deliver our programs in an innovative, engaging and COVIDSafe way. SV harnessed online technologies to connect, share and engage with Victorians, bringing people and experts together from across the world to learn about the circular economy.

Some of our online achievements over the past year include:

Circular Economy Business Innovation Centre

Circular Economy Business Innovation Centre (CEBIC)



Premier's Sustainability Awards (PSAs)



ResourceSmart Schools (RSS) Awards



Better Online Grants User Experience



Our CEO and key staff continuing to share our insights and knowledge with the community on radio and online.

SV also changed up some of our most popular and well-loved programs to ensure SV were supporting schools and our community as they too navigated a changing world.



Detox Your Home – our Household Chemical Collections program switched up to a drive-through service.



ResourceSmart Schools of the Future Challenge

While delivery of our ResourceSmart Schools (RSS) program was impacted by school closures, our new 'Schools of the Future Challenge' provided students with opportunities to engage and improve their sustainability literacy in a virtual environment.

Like many other organisations, SV experienced unavoidable delivery challenges that occurred in relation to infrastructure projects. Supply chain impacts were experienced and the resultant materials shortage due to global and local conditions.

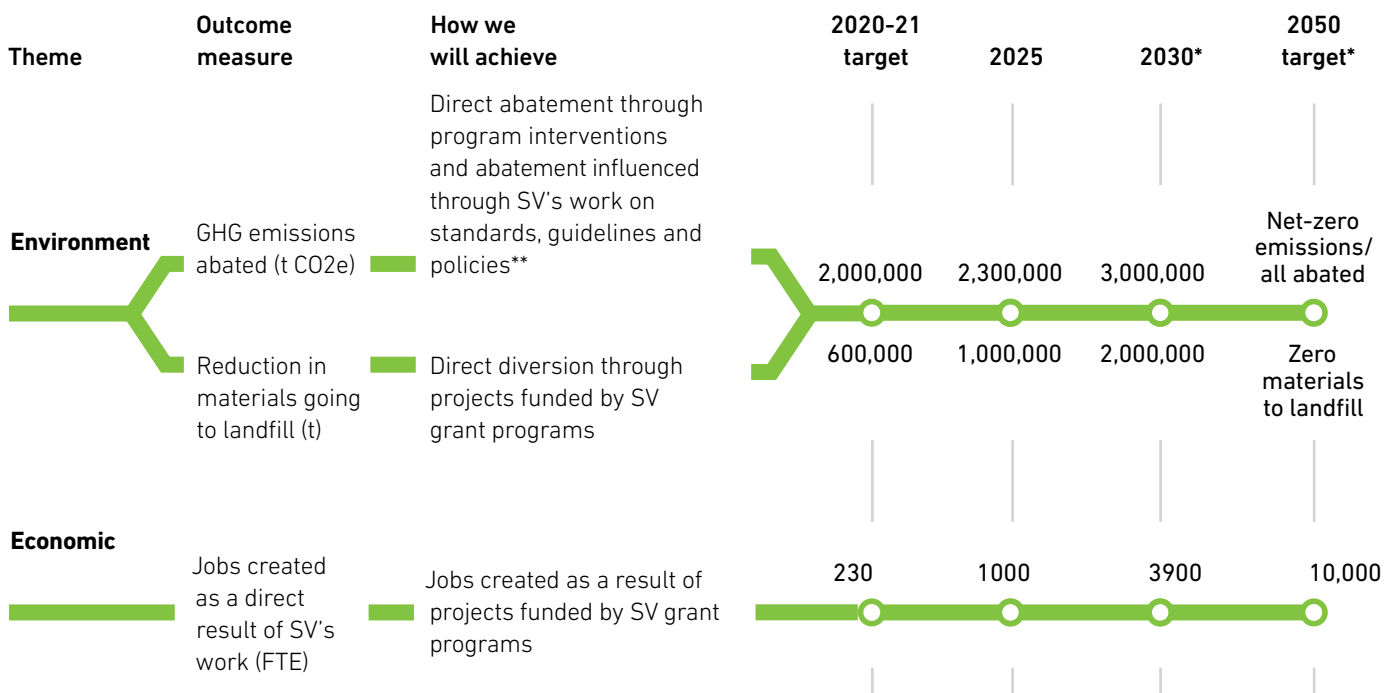
Our staff moved seamlessly between office and remote working in response to changing restrictions, showing resilience, passion, and commitment. This is reflected in our staff survey results which showed an encouraging increase in wellbeing over the year after the release of our COVIDSafe plan in March 2020.

We took the opportunity to begin developing a new strategic plan to replace SV2023. SV2030 will provide a longer-term vision aligned to the Victorian Government's 2030 targets and will take into account our changed world environment.

Our Performance

Performance against summary outcomes

SV set three summary outcomes to measure our impact against program delivery as a whole and to measure our impact at a high-level in 2020–21. These are shown below, together with our progress towards the Government's targets for: net-zero emissions by 2050, reducing materials ending up in landfill and jobs created (Figure 4).



* Subject to variation based on new data and updates to economic and environmental modelling methods

** Includes historic SV programs which are delivering ongoing emissions reduction

Figure 4 Summary outcomes – achieving a climate resilient and circular economy

Table 1 shows how SV performed against these summary outcome targets in 2020–21.

Table 1 Performance against summary outcomes in 2020–21

Summary outcome measures	Unit of measure	2020–21 target	2020–21 actual
Environment			
GHG emissions abated	t CO2e	2,000,000	1,838,140 ^[1]
Reduction in materials going to landfill	tonnes	600,000	476,558 ^[2]
Economic			
Jobs to be created as a direct result of SV's work	FTE	230	66 ^[3]

Table notes

1. Factors in the National Greenhouse Accounts (NGA) 2020 (published in September 2020) are lower than the factors used in the original modelling for the targets (from the earlier version of the NGA) so the reported numbers now fall short of the original target.
2. Modelling of targets set was prior to the impacts of COVID-19' to 'coronavirus (COVID-19) being fully understood and some projects expected to be commissioned in 2020-21 will now be completed in 2021–22.
3. 40 FTE jobs created through funded projects commissioned in 2020–21 and 26 FTE expected to be created from projects funded under RV but not yet completed. Delays in RV funding impacted contracting deadlines resulting in fewer jobs in signed contracts than originally anticipated. An additional 123 expected jobs are expected to be realised by end of Q1 2021–22. Cumulative jobs (since 1 July 2020) = 262. Expected jobs from RV = 176 (contracts signed since 1 July 2020).

Performance against outcome measures

The activities SV delivered in 2020–21 contributed to both short and long-term impacts for Victorians. SV set six outcomes to measure our contribution to reducing emissions and materials waste and two outcomes related to our organisational operations.

Each measure is aligned to relevant UNSDGs (shown in brackets).

Table 2 Performance against outcomes in 2020–21

Outcome measure	Unit of measure	Target	Actual
Outcome 1: Victorians are reducing their materials and recycling better (UNSDG 12)			
Increase in self-reported correct recycling behaviour of people exposed to the Know Your Recycling campaign (12.5)	Per cent	5	5
Councils have used the SV campaign materials (12.5, 12.8 & 11.b)	Per cent	50	35 ^[1]
Councils engaged in the codesign and development process for the first phase of the Recycling Victoria education and behaviour change program (12.5, 12.8 & 11.b)	Per cent	60	87
Victorians disposed of their toxic household chemicals via Detox Your Home events (12.4)	Number	5,500	4,133 ^[2]
Householders exposed to SV Love Food Hate Waste campaign self-reported adopting food waste avoidance behaviours for at least one week (12.5)	Per cent	80	92
Organics diverted from landfill (12.3 & 11.6)	tonnes	10,000	28,286
Household chemicals diverted from landfill (12.4 & 11.6)	tonnes	110	90 ^[2]
Hard to recycle materials diverted from landfill (12.4 & 11.6)	tonnes	80	110
Initiatives funded that decrease materials to landfill, increase locally reused or repurposed material (12.4 & 11.6)	Number	10	0 ^[3]
Outcome 2: Victorians are acting on climate change (UNSDG 7)			
Active ResourceSmart Schools (7.1, 12.8 & 13.3)	Number	700	583 ^[4]
Existing buildings have achieved 1-star improvements (7.1)	Number	50	50 ^[5]
Low-income and health-affected households with completed home energy upgrades (7.1, 11.1, 11.5 & 1.5)	Number	175	315
Zero Net Carbon homes built in the pilot program (7.1, 11.1)	Number	25	32
Outcome 3: Boost Victoria's economy, help businesses grow in new ways, and create new jobs (UNSDG 8)			
New jobs created (FTE) (8.5)	Number	30	40
New jobs expected to be created by Recycling Victoria programs (FTE) (8.5)	Number	200	26 ^[6]

Outcome measure	Unit of measure	Target	Actual
Outcome 4: Innovation, research and development drives the supply of low-carbon circular designed products and services into the market (UNSDG 8)			
Research, development, and demonstration projects resulting in a commercial product (8.4)	Number	2	0 ^[7]
Demonstrated solution to emerging materials stream (8.4, 11.6)	Number	1	1
Partnerships developed for innovative and commercial solutions that minimise materials and reduce materials to landfill (8.4)	Number	10	10
Products added to the Buy Recycled Directory (12.5, 12.6)	Number	100	193
Businesses use recycled content in their production processes or created new products (8.4 & 12.6)	Number	5	13
Investment made in innovative and commercial solutions that minimise materials and reduce materials to landfill (8.4, 12.5 & 11.6)	\$ million	3.5	3.78
Outcome 5: Victoria has a diversified and resilient materials and resource recovery sector (UNSDG 12)			
Investment made in infrastructure that will increase recycling and improve the circularity of materials (SV funded and private leverage) (12.5 & 11.6)	\$ million	80	16.8 ^[8]
Infrastructure projects funded to support increased recycling and improve the circularity of materials (12.5 & 11.6)	Number	6	48
Council projects funded that decrease materials to landfill, increase locally reused or repurposed material, and promotion of local circular economy activity (12.5, 11.b & 11.6)	Number	30	18 ^[9]
Detox Your Home collection days held (12.4 & 11.6)	Number	40	25 ^[2]
Household Chemical Collection permanent drop-off sites made available (12.4 & 11.6)	Number	30	30
Households have access to new Food Organics and Garden Organics (FOGO) services (12.3 & 11.6)	Number	28,000	35,474
Infrastructure upgrades completed to existing e-waste facilities for collection and storage of e-waste (12.5 & 11.6)	Number	12	25
Sorting, treating, and processing capacity added through existing programs (12.5 & 11.6)	tonnes	120,000	124,930
Sorting, treating, and processing capacity expected from RV programs (12.5 & 11.6)	tonnes	300,000	50,450 ^[10]
New or upgraded facilities able to recover and reprocess materials (12.5 & 11.6)	Number	15	35
Outcome 6: Victoria accelerates energy efficiency and clean energy (UN SDG 7)			
Energy saved by Victorian schools (7.1)	kWh	8.5 M	13.4 M ^[11]
Energy saved by individuals, businesses, local governments, and communities participating in SV programs (kWh) (includes savings from Solar Victoria) (7.1)	kWh	40 M	50.9 M

Outcome measure	Unit of measure	Target	Actual
Outcome 7: SV is a trusted agile organisation			
SV stakeholders agree that SV delivered on its promises (12.8)	Per cent	74	N/A ^[12]
Victorian audiences engaged with SV online (12.8)	Per cent	20	19.5
Proportion of staff receiving behavioural training	Per cent	70	12 ^[13]
SV employees feel engaged with the work SV does	Per cent	78	72 ^[15]
Staff turnover	Per cent	15	20.4 ^[14]
Staff at SV see strong evidence of effective leadership across the organisation	Per cent	78	71 ^[16]
Outcome 8: SV uses insights and system thinking to lead impactful action and identify future opportunities			
New data sets (12.5 & 12.6)	Number	5	5
Proportion of projects across SV using a behavioural approach and/or applying behavioural tools and insights	Per cent	50	73
Recovered resources market intelligence/publications provided (12.5 & 12.6)	Number	4	4
New projection models, visualisations and scenario models (12.5 & 12.6)	Number	1	1
Research and data informing policy and program design (12.8)	Number	10	28

Table notes

- Survey sent to all 79 councils, only 59 responded. Of those, 50% (n=28) said they used the materials, 21 did not use materials and 10 did not know. Barriers cited included communications restricted during coronavirus (COVID-19), lack of internal resources and lack of lead time for the councils to plan their local activities, some councils had their own materials.
- Targets were not met, primarily due to coronavirus (COVID-19) related Detox Your Home event cancellations. Twenty-four events are now planned to the end of 2021 which will achieve the target.
- The RV Communities Fund was launched three months later than originally planned, due to the later than anticipated receipt of funding. Initiatives now funded for 2021–22.
- Significant impacts on the education sector, school closures, remote teaching and learning reduced the participation ability of teachers, students and schools.
- National Australian Built Environment Rating System (NABERS) rating improved by an average of 1 star.
- RV funding delays impacted contracting deadlines resulting in fewer jobs in signed contracts than anticipated. An additional 123 jobs expected to be realised by end of Q1 2021–22.
- Research projects were delayed due to lab closures in 2020 due to coronavirus (COVID-19) restrictions. There are seven research projects still in delivery, with all projects to be completed in 2021–22.
- RV funding delays impacted contracting deadlines, with an additional \$73 million in investment expected to be realised by end of Q1 2021–22.
- In June 2021, funding decisions were made for 26 projects under RV Councils Fund. The official ministerial announcement was made during 2021–22 and will be included in Annual Report 2021–22 figures.
- RV funding delays impacted contracting deadlines. An additional 274,175 tonnes of capacity is expected to be realised by end of Q1 2021–22.
- Schools participating in the ResourceSmart Schools program have made significant energy savings throughout 2020 far exceeding the target set. This is not unexpected as energy savings throughout 2020 could be attributed to the significant change in the use of school facilities throughout the year as a result of coronavirus (COVID-19) and the impact on school functions throughout the year due to remote learning. This data will form an anomaly in the data captured for the program as a representation of the underutilisation of school buildings in the 2020 school year.
- A stakeholder survey was not conducted in 2020–21, due to the limited stakeholder engagement activities being able to be conducted due to coronavirus (COVID-19). We also decided to conduct a Listening Tour as part of the development of the new strategy SV2030, which provided richer insights and opportunities.
- SV's organisational restructure finalised in April 2021, new recruitment and lockdowns meant fewer inductions and basics sessions were delivered.
- SV's significant Operating Model restructure in April resulted in expected voluntary turnover increase in the months following. Impacts of coronavirus (COVID-19) during an unpredictable 12 months has seen many staff – and Australians – seek to re-evaluate career options. The Australian Financial Review reported in April that 24 per cent of Australian employees are actively seeking alternate employment.
- SV's 2021 score for Senior Leadership (71%) has dropped in comparison to the 2019 result (79%) yet remains on par with the 2021 comparator group and higher than the VPS result. Although the SV score has declined, it is worth noting that the proportion who strongly agree that "senior leaders provide clear strategy and direction" has doubled (from 8% in 2020 to 15% in 2021).
- SV's 2021 score for Senior Leadership (71%) has dropped in comparison to the 2019 result (79%) yet remains on par with the 2021 comparator group and higher than the VPS result. Although the SV score has declined, it is worth noting that the proportion who strongly agree that "senior leaders provide clear strategy and direction" has doubled (from 8% in 2020 to 15% in 2021).

We influence producers and regulators to retain highest product value

Strategic Focus Area 1

There is untapped potential across supply chains in Victoria to reduce materials waste, increase recycling, and boost revenue and productivity by extending the lifespan of materials used in the manufacturing of products.

RV recognises that Victorian businesses are central in the transition to a circular economy and details a commitment to improving business productivity, reducing materials and accelerating innovation.

In 2020–21, SV supported businesses to access funding and information to increase materials efficiency and also save energy, which in turns helps them reduce energy costs and improves their productivity.

Highlights in 2020–21

Our key achievements included:

- › Launch of the Circular Economy Business Innovation Centre (CEBIC)
- › Launch of six funding rounds, including:
 - Recycling Victoria Research and Development Fund – Organics
 - Recycling Victoria Research and Development Fund – Materials
 - Recycling Victoria Business Support Fund (Stream 1 and 2)
 - Recycling Victoria Innovation Fund
 - Recycling Victoria Councils Fund
 - Sustainable Infrastructure Fund
- › \$2.6 million funding for 19 infrastructure projects awarded under the Sustainable Infrastructure Fund to 16 local councils and two Alpine Resort Management Boards, to use recycled priority materials
- › Launch of SV's Buy Recycled Online Directory, featuring 193 new products and 88 suppliers, and receiving more than six thousand unique visits
- › 11 research and development projects were delivered that provided innovation in creating products that used large volumes of recycled content
- › 13 Investment Support Grants - Packaging (ISG-P) projects delivered that involved avoiding, transforming or reusing packaging materials increasing the diversion rate from landfill

1.1 Launch of the Circular Economy Business Innovation Centre

Launching a new chapter in Victoria's circular economy

In November 2020, Minister for Energy, Environment and Climate Change the Hon. Lily D'Ambrosio MP launched the \$7 million Circular Economy Business Innovation Centre (CEBIC) that will fast-track Victoria's transition to a circular economy.

The centre works with a variety of businesses across the supply chain to adopt circular economy solutions that design out waste and improve efficiency. It provides support through research, funding, expert advice and events that promote industry insights, collaboration and networking.

The first focus area of the centre is on reducing food and organic materials, which currently cost the Victorian economy over \$6 billion each year. Victoria's goal is to halve food waste by 2030. The Path to Half report was published on the CEBIC website and is the first ever report to quantify the volume, emissions, water use, and economic costs associated with Victoria's food waste. The report examines solutions from across the globe and their potential to reduce food waste and its impacts in Victoria.

A series of thought-leadership events

On 10 February 2021, CEBIC hosted the seminar "Fighting food waste: Solutions and support for business" at the National Sustainable Living Festival. The seminar promoted the Path to Half report and the opportunities available for businesses in the food supply chain to reduce food waste.

On 30 March 2021, CEBIC hosted the event 'Designing our future using the 'waste' of the past' at Melbourne Design Week, bringing together a panel of local food-focused entrepreneurs to explore how we can move closer to Victoria's target of halving food waste by 2030 with design.

On 29 April 2021, CEBIC hosted the event 'Smart and Circular' at Melbourne Knowledge Week 2021 in collaboration with Planet Ark Australian Circular Economy (ACE) Hub.

The event hosted a panel of representatives from leading businesses adopting circular thinking to explore how data and technology can be used to design out waste and enable circular economy business models.

The entire thought leadership event series is available to watch on the CEBIC website.

For more information on the centre and available grants visit www.cebic.vic.gov.au.

Smart and Circular

Thursday 29 April, 3:30 to 5:00pm

Online at
Melbourne Knowledge Week
Digital Hub

Marjon Wind
Madaster

Lachlan Feggans
CHEP

Noreen Kam
LUP Global

Mark Mitchell
SuperCool

Melbourne Knowledge Week
26 April - 3 May 2021

CITY OF MELBOURNE

AUSTRALIAN CIRCULAR ECONOMY HUB
PLANETARK

Sustainability Victoria

VICTORIA
State Government

Figure 5 Promoting the Smart and Circular event in April 2021

1.2 Support business to reduce materials and increase materials efficiency

In 2020–21, funded by RV and delivered through CEBIC, SV offered two first round grant opportunities for businesses in priority sectors for materials reduction and efficiency.

Recycling Victoria Business Support Fund

Round 1 of the RV Business Support Fund was launched in November 2020, with 139 applications received. The fund supports businesses, industry groups and not-for-profit organisations to improve resource efficiency, reduce materials to landfill, increase recycling and reduce their operating costs. Two streams were available:

- › **Stream 1: Identification grants** – for collaborative partnerships that identify opportunities and apply innovative circular economy business models and practices for food waste or for the food sector (\$75,000 to \$150,000)
- › **Stream 2: Implementation grants** – implement evidence-based circular economy business solutions across one or multiple businesses (\$100,000 to \$1 million per grant)

Grant applications closed in March 2021 and applicants will be notified in July 2021.

Recycling Victoria Innovation Fund

Round 1 of the RV Innovation Fund was launched in November 2020, with 50 applications received. The fund supports partnerships between businesses, industry groups, research institutions, community groups and charities to identify, develop and scale-up more environmentally sustainable opportunities and business models. Two streams were available:

- › **Stream 1: Food Innovation** – for collaborative partnerships that identify opportunities and apply innovative circular economy business models and practices for food waste or for the food sector (\$75,000 to \$150,000)
- › **Stream 2: Collaborative Innovation** – for collaborative partnerships that identify, develop and/or scale-up innovative circular economy business models and practices. The projects need to address systemic barriers with innovative thinking and practice (\$150,000 to \$450,000)

Grant applications closed on 15 February 2021 and applicants will be notified in July 2021.

1.3 New domestic markets for recycled materials

SV facilitated the development of new domestic markets for recycled materials through market interventions and funding support in advanced manufacturing and construction sectors (covered in section 1.4 *Research and develop circular economy products*).

In local and state government, there are many opportunities to make a positive environmental impact when:

- › procuring products and services
- › planning and delivering a construction project.

Victorian government buyers are already required to consider ways to deliver social and sustainable outcomes in every procurement activity, under the Social Procurement Framework.

Buy recycled online directory

In mid-2020, SV launched a new online directory, Buy Recycled, which highlights Victorian products containing recycled content.

SV added 193 products to the directory, exceeding our target of 100 products. Since its launch in July 2021, 88 suppliers have registered and the website had 9,395 visits (6,130 unique users and 48 per cent returning visitors).

Local government sustainable procurement

Our sustainable procurement program works with Victorian local government to advise on how to increase recycled products procurement and embed effective sustainable procurement approaches, including the Recycled First policy.

In 2020–21, SV commenced activities to plan and refine its service scope, including baselining of current practices which will be completed in 2021–22. We presented at several information sessions about sustainable procurement in 2020–21, including *Recycling End Markets* kerbside reform council drop-in session organised by DELWP on 16 June 2021.

The service offering will help local government buyers at each stage of the procurement lifecycle to identify opportunities to:

- › include recycled content and products
- › embed sustainability as a consideration in their tender processes
- › find environmentally sustainable options.

In 2021–22, SV will rollout a website, resources and masterclasses.



Figure 6 Promoting the use of recycled materials in government projects

Accelerating Public Procurement Program

The Sustainable Infrastructure Fund (SIF) was launched in August 2020 to support local governments and alpine resort management boards to use recycled materials in infrastructure projects to:

- › improve confidence in using products made from recycled materials
- › demonstrate performance of existing products and standards
- › increase the quantity of recycled products being sold in Victoria
- › support organisations to try new technology and processes.

Sixteen local councils and two Alpine Resort Management Boards were awarded more than \$2.6 million in funding to use recycled priority materials in 19 infrastructure projects. Two of these infrastructure projects have completed construction activities, with all others scheduled to be completed by October 2022.

Together, these projects will use 2,000 tonnes of recycled materials, including glass, plastic and rubber to make roads, footpaths, outdoor park furniture, drainage and pavements.

SV also provided Major Roads Projects Victoria with \$400,000 to install innovative recycled plastic noise walls on the Mordialloc Bypass constructed from 75 per cent recycled hard and soft plastics. The recycled plastic noise walls are an Australian first and demonstrate the potential uses of recycled household plastic in construction projects. The panels are made using 570 tonnes of plastic waste – equivalent to kerbside plastic waste collected from 25,000 Victorian households in a year.

1.4 Research and develop circular economy products

SV commissions research and development (R&D) to support commercialisation of new, circular economy products. In 2020–21, SV continued to progress existing R&D projects and offered new funding focused on organics and priority materials.

Research, Development & Demonstration Grants Fund

Our Research, Development and Demonstration grants fund research for business and local government to partner with research institutes to develop new products made from large volume recycled materials such as glass, plastic, organics, electronic materials, concrete, brick and rubber.

They aim to support and improve:

- › research into product development and performance of recycled materials
- › development of new or existing products that use high value recycled materials
- › product standards and specifications to include recycled material
- › market confidence and demand to use recycled materials and products.

Round 1 projects

In Round 1, 13 projects received \$1.9 million between them for R&D and field trials to develop new markets for recovered materials and increase their uptake in Victoria.

Eleven projects are now complete, one is at construction phase and due for completion in July and one project is delayed.

The City of Yarra trialled a separate glass collection with about 1,000 residents with the intent of using the collected glass in asphalt in municipal road construction.

The data for separated and mixed glass collections increased the diversion rate from 35 per cent to 62 per cent with minimal contamination rates (glass 1.8 per cent, FOGO 2.4 per cent and recycling 13.4 per cent).

They have since introduced the 'purple lid' bins for glass collection.

HATCH Biosystems (formerly Hermetia Biosystems) set up a demonstration facility to convert up to 100 tonnes of food materials per day into protein meal and fertiliser products. They presented their findings at the Sustainable Living Festival in February 2021.

HATCH will use these findings to develop an at-scale unit at Dandenong South which can process 50 tonnes of food materials in eight days.

Round 2 projects

In Round 2, eight projects received a total of \$1.6 million for R&D and field trials to test and develop new markets for recovered materials in Victoria.

All eight projects are on track to achieve contracted project outcomes. One research project has submitted their final report and seven are in delivery. Three projects sought to extend their project milestones due to coronavirus (COVID-19) restrictions in 2020.

Victoria University is developing new blends of trench backfill material to be used in and around sewer and 'manhole' structures. The blends are field tested against EPA guidelines and Australian Standards.

The university presented their project at the 2020 Australian Geomechanics Symposium. They have submitted an abstract to the 20th International Conference on Soil Mechanics and Geotechnical Engineering in 2022.



Recycling Victoria Markets Acceleration Package

The \$30 million RV Recycling Markets Acceleration package helps industry, universities and government collaborate to identify new uses for recycled products and makes it easier for the products to be used.

The program stimulates new markets for recyclable materials by developing product specifications, improving quality standards and industry accreditation. It uses a range of market interventions and incentives to address current and potential market failures.

Funding is available for research to develop new products made from recycled materials such as glass, plastic, organics, electronic materials, concrete, brick and rubber.

The *Markets Acceleration Program Intervention Strategy – Materials* was released in March 2021, setting out the priorities across non-organic materials for the year, based on the maturity of markets for materials subject to the export ban.

Materials

The RV Research and Development Fund – Materials was launched in February 2021, with 27 applications received. The fund aims to accelerate markets, confidence and demand for recycled products in Victoria.

Between February and April 2021, Victorian-based research institutes could apply for grants of \$75,000 to \$300,000 for projects that:

- ▶ support research institutes and industry to collaborate on innovative solutions that increase use of recycled materials
- ▶ identify and develop new domestic markets for recycled materials
- ▶ diversify products and processes using recycled priority materials – both existing and emerging
- ▶ improve confidence and demand for recycled priority materials
- ▶ support Victoria's transition to a circular economy.

Successful applicants will be notified in August 2021.

Organics

SV carried out in-depth research into how we can accelerate the organics market. This included an organics material flow analysis for Victoria and a detailed market opportunity analysis with input from industry stakeholders.

SV assessed the sector's capacity, capability and preparedness to transition to the new *Environment Protection Amendment Act 2017* and regulatory operating environment.

SV are partnering with the organics peak industry body, the Australian Organics Recycling Association (AORA) to research monetising the cost of contamination across the various points of the recycled organics supply chain.

Research program findings and recommendations will be consolidated into the 'Organics Sector Gap Analysis' which will provide the foundation data and analysis to identify and prioritise development of year 2 investment and intervention programs.

RV Research and Development Fund – Organics

The RV Research and Development Fund – Organics was launched in June 2021 to support businesses and research organisations to research and develop innovative ways to improve processes, performance or systems for recycled organics.

Businesses and research institutions could apply for grants of up to \$300,000 to improve process, performance or systems for existing recycled organics products.

Applications close in July and applicants will be notified in October 2021.

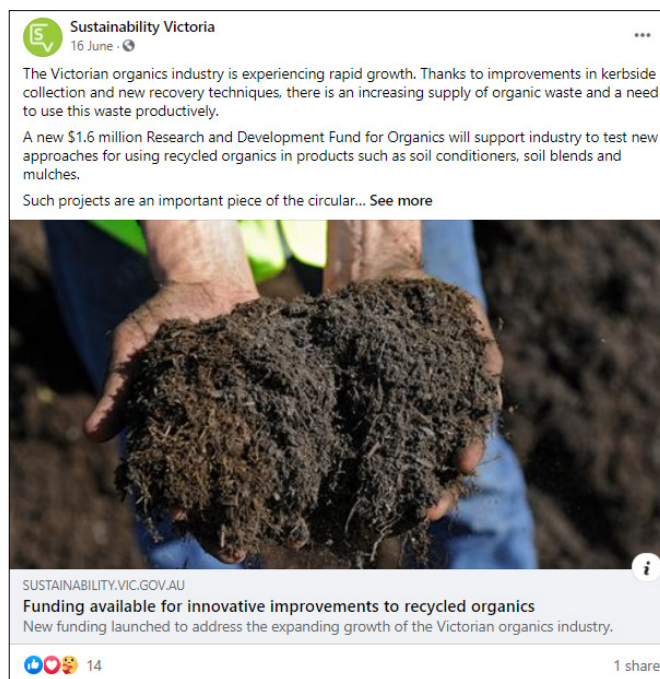


Figure 7 Promoting the RV R&D organics funding on Facebook

RV Market Development Industry Uplift Fund – Organics

Program design for the RV Market Development Industry Uplift Fund – Organics began this year with release planned for late 2021. The fund will contain multiple funding streams targeting product quality (with a focus on decontamination equipment), market development and industry capability improvements.

Investment facilitation

SV has been providing the Investment Facilitation service since 2015, with funding brought under RV in 2020. SV recently launched a new online investment prospectus which gives details of the service here <https://www.sustainability.vic.gov.au/grants-funding-and-investment/invest-in-victorias-recycling-sector/assistance-with-investment>

This helps prospective investors navigate government investment opportunities and approval pathways and overcome existing and perceived barriers to the materials and resource recovery sector. These types of effective services lower the risk for investors while increasing the uptake and speed of investment within the sector.

1.5 Diverting packaging materials from landfill

Through our Packaging Investment Support Grant (ISP-G), SV supports business who reuse and/or transform packaging materials, thereby diverting packaging from landfill.

In March 2020, SV launched the ISG-P to support Victorian small and medium enterprises (SMEs), not-for-profits and social enterprises who use, produce and/or recycle packaging to:

- › transition to greater use of recycled packaging materials
- › ensure their own packaging materials are recyclable
- › reduce or eliminate packaging materials
- › improve recovery of packaging materials to be reused in greater volumes and applications
- › use recovered packaging materials in manufacturing process to create new products.

In 2020–21, SV awarded \$562,829 in grants to 17 applicants under two streams:

- › reprocessing grants
- › collection and storage grants.

These grants will leverage \$1.4 million in private investment, create 52 FTE jobs, and divert 5,669 tonnes of plastic, paper/ cardboard and glass from landfill in Victoria.

Interest in the funding is high, with 80 interested stakeholders registered for a Round 2 of funding, which is slated to launch later in 2021.

1.6 Recycling Victoria Councils Fund

The RV Councils Fund is a four-year program which supports Local Government and Alpine Resort Management Boards (ARMB) to implement projects which enable transition towards a circular economy.

Grants focus on local and regional circular economy projects which:

- › decrease the volume of materials to landfill
- › increase the volume of material reused, repaired, repurposed or recycled
- › increase circular economy activity, which also stimulates local employment and economic growth.

Twenty-six projects were funded in June 2021, and successful applicants will be announced in July 2021.

ISG-P projects funded this year will target almost 1 per cent of all packaging materials sent to landfill in Victoria (about 6,000 tonnes), which was the original target set for the entire program.

We enable resource recovery and reuse

Strategic focus area 2

A circular economy must be underpinned by an integrated and fit-for-purpose materials waste and resource recovery infrastructure system, so Victoria can reprocess and reuse recycled materials, reduce the need for raw materials and divert materials from landfill.

Recovering more resources reduces our impact on our environment and climate change, creates jobs and bolsters our economy.

SV continued to provide both long-term planning at state and regional levels and investment in infrastructure projects.

Highlights in 2020–21

Our key achievements included:

- › The launch of Asbestos Disposal Management Plan (ADMP), for safer and easier asbestos disposal
- › Recycling Victoria funding rounds launched:
 - Recycling Victoria – Recycling Modernisation Fund
 - Recycling Victoria - Infrastructure Fund – Materials stream (Round 1)
- › \$32.1 million awarded to eight infrastructure projects under Recycling Victoria - Infrastructure Fund – Materials stream (Round 1) and the Recycling Victoria – Recycling Modernisation Fund. Projects were co-funded equally by the Victorian Government and the Australian Government
- › 19 E-waste infrastructure grants (Round 1) upgrades completed
- › One e-waste collection and storage project funded under E-waste infrastructure grants (Round 2) completed
- › 6 Resource Recovery Infrastructure Fund (RRIF) and Recycling Industry Strategic Plan (RISP) projects completed. Projects have delivered more than 100,000 t of capacity to recover high-quality materials from collection, sorting, recycling and processing of valuable materials
- › One Recycling Industry Transition Support Grants (RITS) project completed. The project has delivered capacity to process over 7,000 t of complex, plastic food packaging
- › One Waste to Energy facility completed, treating up to 5,000 kilolitres of liquid food materials each year

2.1 Victorian Recycling Infrastructure Plan

In 2020–21, SV began transitioning the Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP) to the Victorian Recycling Infrastructure Plan (VRIP) to meet new legislative requirements. In addition to the information provided in the SWRRIP, the VRIP includes hazardous waste and waste to energy infrastructure to improve risk and contingency planning and integrate with land use and transport planning.

The VRIP provides certainty for industry investment and identifies where the system can maximise recovery and reuse, while reducing harm to the environment and to community health and safety.

2.2 Hazardous materials infrastructure

Victoria needs hazardous materials infrastructure which can safely manage current and projected volumes of hazardous materials.

In 2020–21, SV collaborated with key agencies on a hazardous materials infrastructure plan. The plan includes short-term actions to address immediate risks and longer-term actions which will be incorporated into the VRIP. The plan will also help inform investment in infrastructure.

This work will progress in 2021 and the plan will be released in 2022.

Hazardous materials infrastructure projects

Our research indicates an estimated 15,000 to 29,000 tonnes a year of liquid hazardous materials containing recyclable solvent need to be managed in Victoria. Currently, there is limited capacity to recycle these solvents.

In April 2020, SV offered grant funding under the Recycling Victoria Infrastructure Fund – Hazardous Materials (Solvents) to support infrastructure projects that can improve recycling of solvents from liquid hazardous materials. About 13 per cent (\$1.3 million) of funding was allocated to recover a third of the state's solvents but the successful Round 1 applicant withdrew following a further end market analysis that led them to believe the project was no longer viable.

SV began a solvent end market assessment to better understand the market challenges and attract merited solvent recovery applications and the findings will be used to inform the launch of the Round 2 of funding in 2021–22.

2.3 Asbestos Disposal Management Plan

Making asbestos disposal safer and easier for communities

In February 2021, SV launched the Asbestos Disposal Management Plan. The plan is based on research and consultation with local governments, landfill operators and other government agencies. The plan aims to increase access to safe asbestos disposal points across Victoria.

With a 10-year outlook, SV will work with stakeholders to design a safe asbestos disposal network supported by appropriate infrastructure. The plan ensures site operators have guidance and training to minimise risks to staff, service providers, customers and the environment.

2.4 Investing in new, large-scale recycling infrastructure

SV directly invests in new, large-scale recycling infrastructure that will help mitigate the risks of the current disruptions to recycling markets and the proposed materials export bans, and increase safe recycling of some hazardous materials.

Our investment in infrastructure

Since July 2017, SV has attracted significant investment into the resource recovery sector through various funds. SV awarded more than \$42 million in grants, leveraging a further \$111 million in investment. This funding has added a significant amount, almost one million tonnes of recycling capacity across Victoria, as well as 220 new jobs.

Of the 261 infrastructure projects funded, 169 infrastructure projects valued at \$100 million are already operational. A further \$3.7 million has been invested in 29 projects related to research, development, demonstration and commercialisation of new recycled products and materials. Many of these materials are now being widely used in Victoria's Big Build projects.

Resource Recovery Infrastructure Fund

The Resource Recovery Infrastructure Fund supports the development of infrastructure to build capability and capacity to recover high-quality materials from collection, sorting, recycling and processing of valuable materials. The program supports projects that will increase jobs in the resource recovery sector and the recovery of priority materials.

Valued at about \$26 million, the funding program has allocated over \$22 million to 70 infrastructure projects in metropolitan and regional Victoria since 2017. These projects are expected to create more than 450 jobs in Victoria's materials and resource recovery sector and divert at least 600,000 tonnes of material from landfill each year.

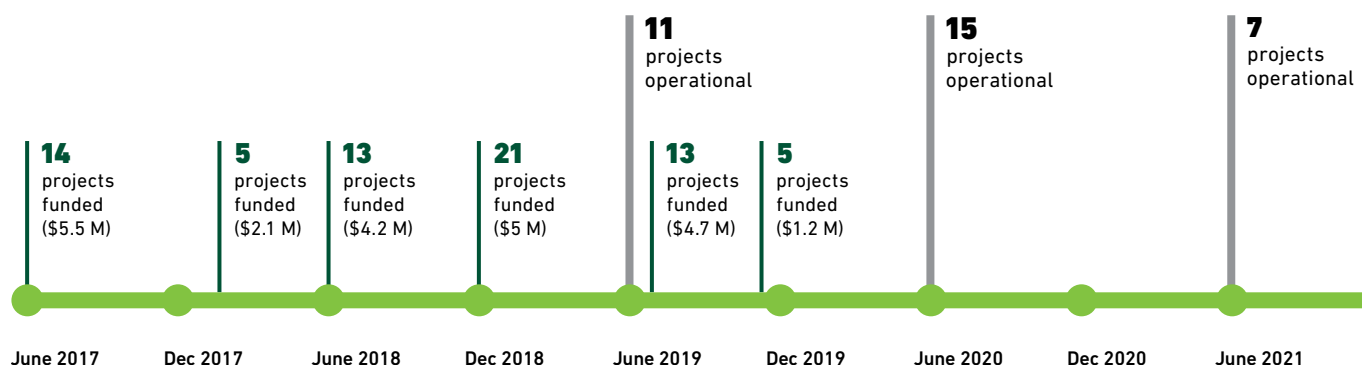


Figure 8 Resource Recovery Infrastructure Fund timeline

Three projects are funded for 2020–21:

Future Recycling – Hallam Transfer Station upgrade

The Future Recycling project will develop a leading practice transfer station in Hallam to service Hallam and surrounding areas. The site has been operating as a metals recycling and drop-off facility for the past 20 years and is now being transformed into a transfer station.

The project was funded \$500,000. Once operational in 2022, the Hallam Transfer Station will process over 18,000 tonnes a year of material and recover at least 70 per cent of this projected input, in addition to the 4,500 tonnes of steel currently received at the site each year.

Cleanaway – Liquid paper board recovery

Export of mixed residual plastics ceased in March 2020 before a complete ban across Australia in July 2021. There are polymers in the mixed residual stream that, if separated, can be recycled.

Cleanaway was awarded \$500,000 to upgrade its Laverton North plant to be able to divert green Polyethylene terephthalate (PET) bottles, clear PET trays and Polypropylene (PP) trays from landfill. This work is expected to be completed in 2022.

Astron Plastics – Baled low-value mixed plastics reprocessing

Astron was awarded \$500,000 to upgrade its recycling plant to efficiently sort, clean and reprocess baled low-value post-consumer mixed plastics into high-quality recycled resin outputs to meet product specifications for end markets. The manufactured recycled resin needs to be a competitive and compelling substitute over imported virgin resin used in plastic package manufacturing.

Astron will introduce a suite of machinery to upgrade its existing plant, enhancing its capacity and capability to purchase and reprocess baled low-value post-consumer mixed plastics from local materials recovery facility operators and kerbside collection services.

Recycling Victoria Infrastructure Fund

The Recycling Victoria Infrastructure Fund provides funding for infrastructure targeting priority materials, such as paper and cardboard, plastic, glass, and hazardous solvent materials.

The fund assists businesses to improve the quality of materials recovered and increase the capacity and capability of Victoria's resource recovery sector.

RV Infrastructure Fund – Materials stream (Round 1) and Recycling Victoria – Recycling Modernisation Fund

In 2020–21, SV awarded \$32.1 million to eight infrastructure projects to increase Victoria's capacity to process and recycle Victoria's glass, paper and plastic materials.

The projects funded are expected to deliver new ongoing full-time jobs and process almost 320,000 tonnes of glass, paper and plastic materials each year – more than doubling Victoria's domestic glass recycling and boosting domestic plastics recycling by almost 40 per cent.

Projects were co-funded equally by the Victorian Government and the Australian Government and will leverage an additional \$63 million in private investment.

Materials recycling infrastructure funding launched in 2020–21

In March 2021, SV launched two materials infrastructure grants – one funded under RV and one funded under the Recycling Modernisation Fund which is jointly funded by the Australian Government:

- › **Recycling Victoria – Recycling Modernisation Fund** addressing paper and cardboard, plastics, glass and tyres subject to the national materials export bans.
- › **Recycling Victoria Infrastructure Fund – Materials stream (Round 2)** addressing paper and cardboard, plastics, glass, tyres, organics and textiles.

SV received 68 grant applications. Applicants will be notified in September 2021.

2.5 Waste to Energy Funding

As Victoria shifts towards a circular economy, waste to energy facilities will divert materials from landfills and use them to create valuable energy. Generating energy from materials is better than sending materials to landfill, once valuable recyclable materials have been removed.

In 2020–21, SV worked to complete the waste to energy facilities funded under the Waste to Energy Infrastructure fund in 2017–18. In 2021–22, new funding will be launched as part of the Government's \$380 million RV package to expand our recycling system and divert materials going to landfill.

In 2017, SV funded six waste to energy infrastructure projects to support the development of waste to energy technologies, including anaerobic digestion and thermal treatment of materials.

The aim of the fund was to boost sustainable energy production using organic and other materials and divert more materials from landfill, with a focus on the commercial and industrial sector.

Projects were originally planned to be delivered in December 2019, but were delayed for different reasons. Three projects were completed this year, with another three close to completion.

Some key achievements

New bioenergy facilities and business cases

90,000

tonnes a year of
organic materials
diverted from landfill

3–4 MW

of energy created
(heat, biofuel, electricity)

**Less
greenhouse
gases**

**Economic
benefits**

SV are currently evaluating the success of this fund to understand any barriers to applying.

Western Water's new Melton Waste to Energy Facility will treat up to 5,000 kilolitres of liquid food materials each year – including leftover cooked meals, food scraps, fats, oils, old drinks and greases – from local businesses and convert these into biogas to power the Melton Recycled Water Plant on site.

The \$3.3 million facility was constructed with an \$800,000 grant from SV's Waste to Energy Infrastructure Fund.

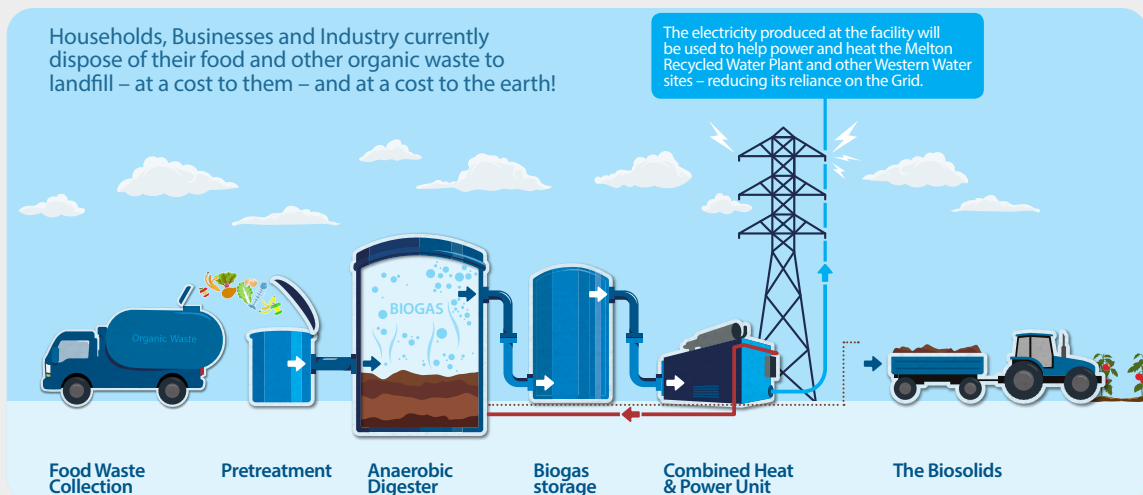


Figure 9 The facility generates up to 1,000 megawatt hours of renewable electricity that can be used as thermal energy, electrical energy and potentially transport fuel in the future. The facility will reduce greenhouse gas emissions by 900 tonnes annually – the equivalent of taking 430 vehicles off the road each year (Source: Western Water, Image created by Buro of Ideas)

2.6 Regional litter planning

In 2019–20, Waste and Resource Recovery Groups (WRRGs) developed regional litter plans and implemented projects to build an evidence base for action on litter and illegal dumping issues across Victoria. In 2020–21, WRRGs implemented projects to address key litter issues outlined in their plans. Projects included:

- ▶ household hard waste research
- ▶ community engagement via the Werribee Riverkeeper and Beach Patrol
- ▶ council engagement via the Council Litter Education Action Network (CLEAN).

The final project to be delivered as part of the Victorian Litter Plan is a cost of litter study (direct and indirect) jointly funded between SV, the New South Wales Environment Protection Authority and the Queensland Government. The report will be completed in November 2021.

2.7 E-waste landfill ban

The Victorian Government's e-waste landfill ban came into force on 1 July 2019. The e-waste ban helps reduce materials to landfill and increase resource recovery, but also supports jobs and investment in the recycling industry.

E-waste is growing three times faster than general materials in Australia. This stream of materials contains hazardous materials which can harm the environment and human health. It also contains valuable materials such as copper, silver, gold and aluminium which are scarce and worth recovering.

SV offered \$15 million via two rounds of E-waste infrastructure grants that aimed to:

- ▶ provide support to build the capacity and capability of those managing e-waste
- ▶ ensure that collection, storage and reprocessing of e-waste is conducted to a high standard.

Round 1: Upgrade the e-waste collection network

The Round 1 of funding delivered 123 upgrades to Local Government-owned transfer stations and resource recovery centres and 50 e-waste collection hubs across Victoria. Delivery began in 2018–19 in preparation for the e-waste ban and will finish in 2021–22. Table 3 provides a detailed breakdown.

Once complete, these sheds and hubs will provide 98 per cent reasonable access (30-minute drive time) to e-waste disposal facilities across metropolitan and regional Victoria.

At the end of 2020–21, 125 upgrades were complete, with the last four on track to complete in 2021–22.

Round 2: Safely managing Victoria's e-waste

The Round 2 of funding will build e-waste reprocessing capacity and address remaining gaps in the e-waste collection network. Eleven organisations were awarded \$1.7 million in total and will deliver:

- ▶ 35,771 tonnes per annum additional e-waste reprocessing capacity
- ▶ 20 additional e-waste collection and storage infrastructure upgrades.

Table 3 E-waste infrastructure funded from 2018 to 2022

E-waste infrastructure funded	2018–19	2019–20	2020–21	2021–22 planned
E-waste infrastructure upgrades	30	70	25	24
E-waste hubs installed	0	57	0	0
E-waste reprocessing capacity installed	-	-	-	35,771

We lead community behaviour change to reduce emissions and waste

Strategic focus area 3

SV seeks to understand impacts across the entire supply chain and identify the best interventions at different levels of the system. SV provide clear and engaging information to the Victorian community and work with businesses to improve the system in which Victorians make everyday decisions. These programs play a huge role in helping Victorians to make more sustainable everyday decisions, which in turn helps us transition to a circular, climate resilient and clean economy.

Highlights in 2020–21

Our key achievements included:

- › Funding launched (Recycling Victoria Household Education and Behaviour Change Fund) for councils to support households to use the right bin as Victorian moves towards a uniform system across Victoria
- › Our Know Your Recycling campaign was seen by 53 per cent of the Victorian population
- › The rate of correct recycling improved by five percentage points following the campaign
- › About 7 per cent of Victorians reported seeing at least one element of SV's Bread To Be More campaign
- › 92 per cent of householders who did the Love Food Hate Waste (LFHW) Love A List Challenge self-reported adopting food waste avoidance behaviours for at least one week
- › Detox your Home moved to contactless drop-off, resulting in:
 - 25 collection days across Victoria
 - 90 tonnes of household chemicals disposed of
 - 110 tonnes of hard to recycle materials disposed of
- › 38 Zero Net Carbon homes were built, and 178 Zero Net Carbon homes sold (offer only) over life of program
- › 34 small businesses undertook energy upgrades, starting in April 2021

3.1 Managing and reducing household materials

Under the RV policy, the new Household Recycling Services includes a 4-stream household recycling service with consistent bin lid colours used across Victoria.



To support Victorians with this service, SV are developing behaviour change programs to help educate Victorians to better manage and reduce their household materials through statewide and local campaigns. Across the year, SV have been researching and testing a campaign strategy, with extensive community research.

The Recycling Victoria Household Education and Behaviour Change Fund was launched in May 2021. Supporting the delivery of local campaigns, the fund provides financial support to all Victorian councils and Alpine Resort Management Boards (ARMBs) who are planning to introduce new services before June 2023, or who have already delivered a 4-stream household recycling service.

In 2020–21, SV worked with 69 out of 79 councils to co-design and develop the first phase of this program, well exceeding our target of 60 per cent of councils engaged in this process. To support councils, SV launched a Campaign Lab program to upskill council staff on a range of campaign areas from formative research through to campaign evaluation to optimise local campaign outcomes and impact.

Successful fund applicants will be notified in August 2021. A second phase of funding will run from mid-2022.



Figure 10 Former MasterChef contestant and ABC Culinary Correspondent, Alice Zaslavsky is an ambassador for the Bread To Be More campaign

3.2 Love Food Hate Waste

Each year Victorian households send over 250,000 tonnes of avoidable food waste to landfill, presenting a financial loss for households and impacting our environment.

Since 2013, the Love Food Hate Waste (LFHW) Victoria campaign has been raising awareness of avoidable food waste and change behaviours to cut down on food waste.

SV ran three LFHW campaigns in 2020–21 to engage Victorian householders as well as hospitality and food retail businesses in food waste reduction activities. These campaigns increased awareness and delivered financial and time savings to Victorian households and businesses while also delivering significant food waste reductions.

Household campaigns

SV ran two household campaigns in 2020–21: 'Bread To Be More' and the third iteration of the 'Love A List Challenge'.

Bread To Be More

This successful mini-campaign focused on reducing bread wastage, which has been identified as Victoria's most avoidable wasted food item. It included advertising, PR and media activities, with a 38 million potential cumulative reach spanning print, broadcast, digital and social media. About 7 per cent of Victorians reported having seen at least one element of the campaign.

Post campaign surveys indicated strong evidence of influencing behaviour change. Four out of five campaign viewers surveyed (85 per cent) said they took some form of action to reduce bread wastage. Two in five (41 per cent) froze their leftover bread and a further 16 per cent said that they intend to do this after seeing the campaign.

Love A List

The Love A List Challenge empowers households to meal plan and shop to a list to reduce food waste and save money. In 2020–21, 845 participants signed up for the challenge. In the campaign survey, 92 per cent of challenge participants surveyed self-reported completing the desired food waste avoidance behaviours for at least one week and 74 per cent reported saving \$50 or more during the challenge. These results show that targeted campaigns can deliver savings to Victorian households while also reducing food wastage.



Figure 11 The LFHW Facebook page has 21,000 followers

Business campaigns

In 2020–21, 126 businesses signed up for our four-week free LFHW Business program to help them save money, improve efficiency and reduce their food wastage. These outcomes offer significant economic benefits in a highly disrupted industry while also delivering positive environmental emission reductions by diverting food materials away from landfill.

The program was impacted by coronavirus (COVID-19) delays with many food businesses also significantly impacted. Despite the delays, more than half the business participants completed the program and implemented food waste action plans, reducing food waste by an average of 27 per cent. The remaining participants will complete the program in July 2021.

3.3 Know Your Recycling

The Know Your Recycling campaign was designed to help Victorians understand what can and can't go in their recycling bin, ahead of changes to recycling systems being rolled out over the coming years.

Know Your Recycling was based on behaviour change theory, social research, and consultation with councils and the recycling industry. The messaging provides general recycling information to all Victorians, while also targeting specific audiences with relevant information about key contaminants.

The campaign was launched in 2019–20 and includes statewide advertising, media and promotion, a new recycling information website and support for local councils to deliver the messaging across Victoria. The campaign concluded on 30 June 2021.

The campaign was recalled by 53 per cent of respondents in the post-campaign survey. The two campaign waves in 2020–21 were seen by Victorians almost 52 million times via TV, radio, social media, press and online advertising. The campaign website had over 195,000 visitors.

A public relations campaign was also run in five languages to reach over 400,000 Arabic, Cantonese, Hindi, Mandarin and Vietnamese speakers online, as well as including targeted translated radio advertising.

The campaign ran a baseline survey of Victorians' knowledge, attitudes and behaviours in 2018 and then again after each wave of advertising. Overall, there has been a broad improvement in the rates of incorrect recycling behaviours over the campaign period. Based on survey of $n=1,000$ Victorians, 46 per cent had put a non-recyclable item in the recycling bin in the past month, which is a statistically significant shift from 51 per cent reported in June 2018.

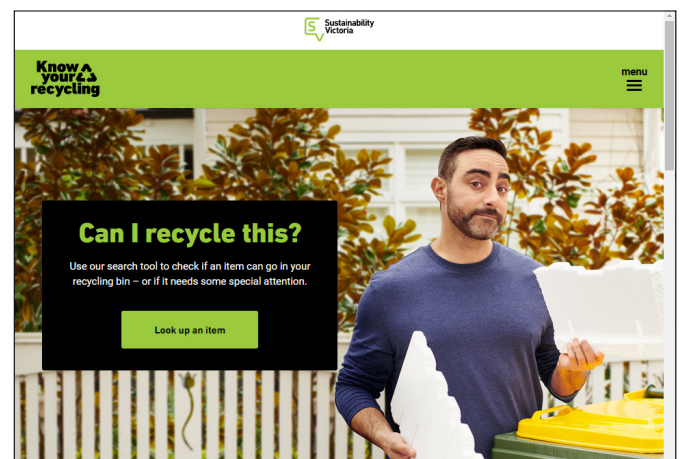


Figure 12 The campaign website included a search tool for Victorians to check if an item can go in their recycling bin

3.4 The Simple Switch-Up

The Simple Switch-Up campaign supports householders to switch from single-use plastics to readily available reusable alternatives.

Single-use items, or disposable items, are products and packaging that consumers throw away after only one use. These items may only be used for minutes, but their detrimental impact on our environment can last thousands of years. They are often littered and pose a contamination risk to recycling.

In 2020-21, SV conducted social research into consumer knowledge, attitudes, and behaviours which is being used to inform behaviour change program design. Key insights included that nearly three quarters of Victorians (73 per cent) agree they are committed to reducing their use of single-use plastics and around three quarters of Victorians (75 per cent) agree finding alternatives to single-use plastics is worth the effort to protect the environment.

Furthermore, a rapid-evidence review was undertaken by BehaviourWorks Australia to investigate evidence-based behavioural interventions to reduce the use of single-use plastic among householders. The 'Interventions to Reduce Single-Use Plastic Consumption' report included a practice review to identify common practices and recommendations for designing interventions to encourage plastic avoidance behaviours among consumers. This involved interviews with practitioners about their experience and recommendations.

In February 2021, the Victorian Government announced a statewide ban on single-use straws, cutlery, plates, drink-stirrers, expanded polystyrene food and drink containers, and cotton bud sticks from February 2023. Government departments and agencies will phase out single-use plastics, by February 2022 ahead of the February 2023 ban. To support the ban announcement, SV ran an organic social campaign which included tips on how to switch from single-use plastics to reusable alternatives (See Figure 13).

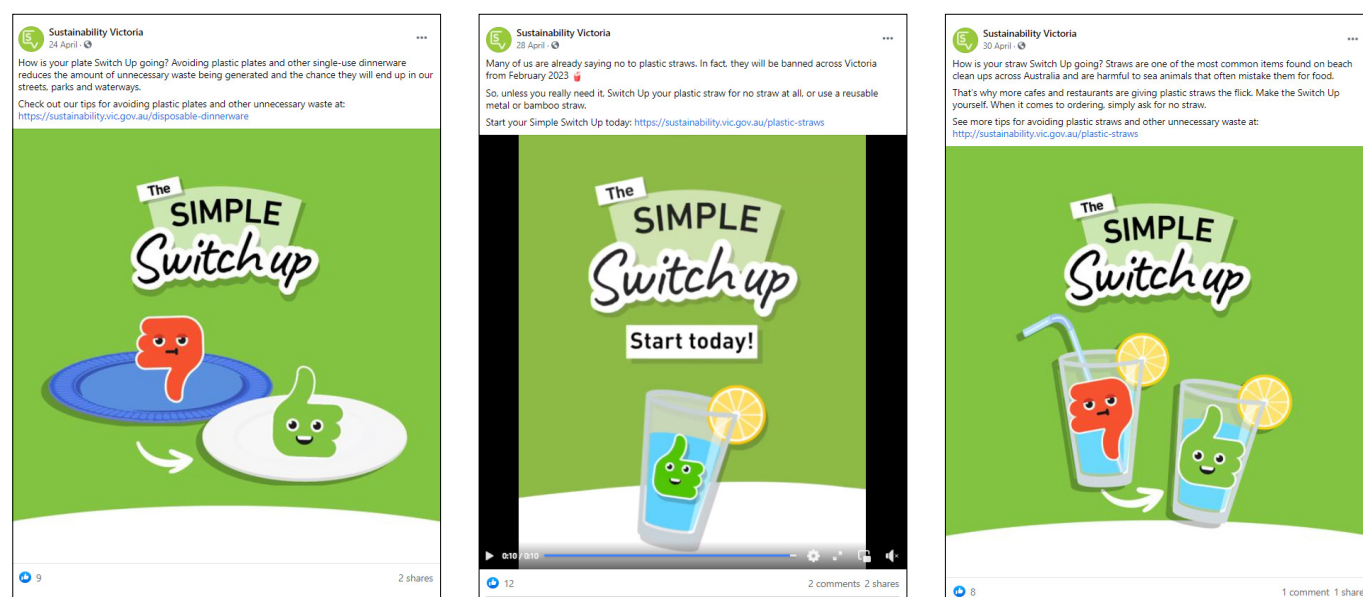


Figure 13 Our Simple Switch Up campaign ran on our social media channels during March and April 2021

3.5 Detox your home

For 27 years, SV (and its predecessors) have collaborated with local councils to provide Victorians with a free service to safely dispose of their household chemicals. Over the past decade, Detox Your Home has helped householders to safely dispose of 1,588 tonnes of toxic household chemicals that might otherwise have ended up in landfills, waterways or unsafely stockpiled.

In September 2020–21, SV redesigned Detox your Home as a contactless drive-through service supported by a COVIDSafe plan to ensure the service could recommence (after six months of being on hold) and householders could continue to access this valuable service.

In 2020–21, more than 4,100 householders were assisted in safely disposing of more than 100 tonnes of toxic household chemicals at 25 Detox Your Home mobile collections.

In 2021–22, SV will engage up to 8,500 householders across Victoria to collect an additional 150 tonnes of household chemicals.

A further 110 tonnes of targeted materials (handheld batteries, fluorescent lights, paint) were collected at 30 permanent drop-off sites.



Figure 14 Promoting the Detox your Home program on Facebook

SV met our target of 30 permanent drop-off sites available for collection of targeted materials (handheld batteries and fluorescent lights at all sites, and paint at four sites) across Victoria.

Detox your Home targets achieved

25

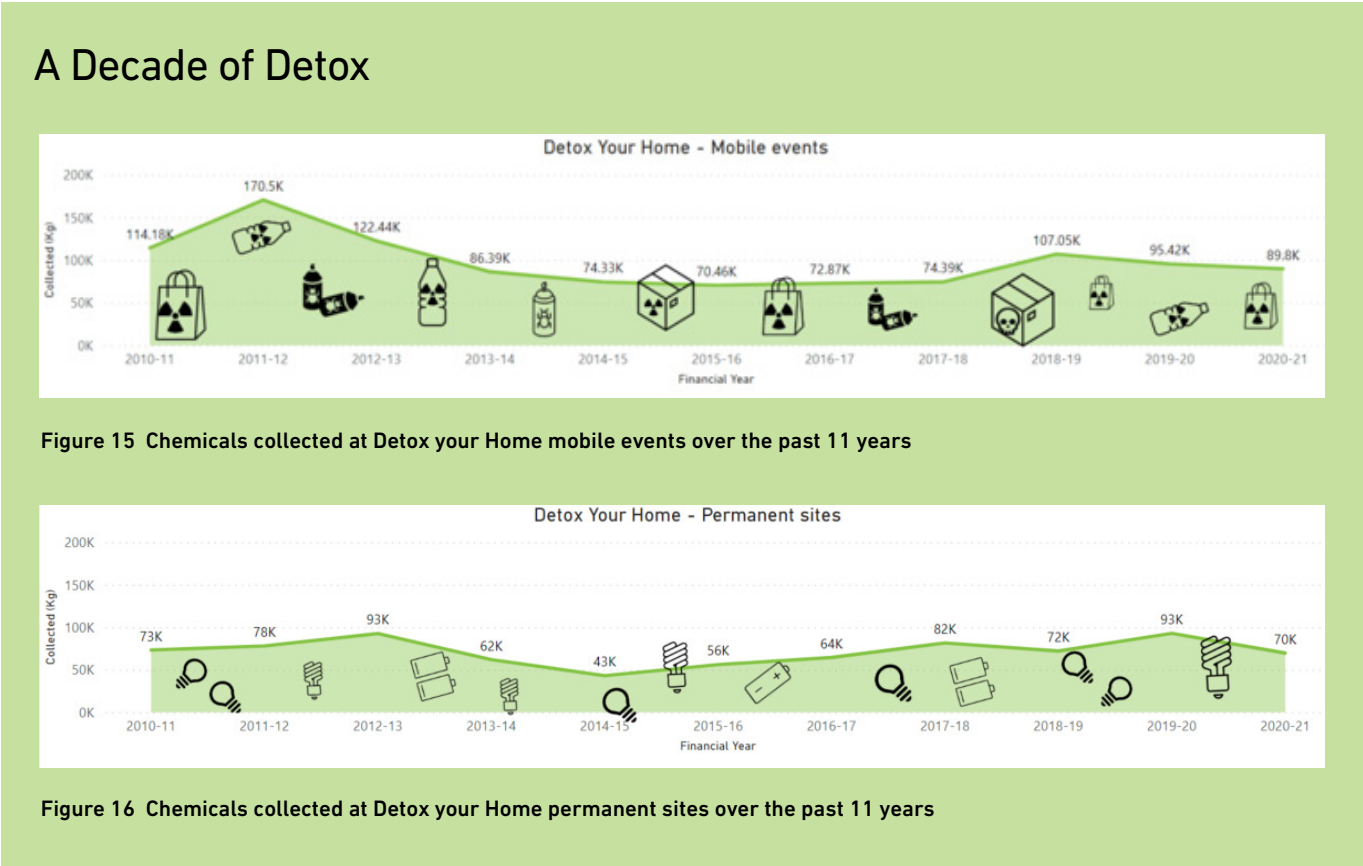
Collection days

90 tonnes

Household chemicals disposed

110 tonnes

Hard to recycle materials disposed



3.6 Sustainable and Zero Carbon Emission Homes

SV provided advice, industry skills development and incentives to increase supply and demand for more sustainable homes, while building the case for improved minimum standards and zero carbon emission homes.

SV has worked closely with three volume home builders, [Metrickon Homes](#), [Stockland](#) and [SJD Homes](#) over the past three years to develop sustainably designed residential homes in Victoria under our [Zero Net Carbon \(ZNC\) Homes](#) pilot program. The program closed in March 2021.

As well as the technical component, the program included research into consumer understanding and behaviour when purchasing sustainable homes, so builders had the expertise to market and sell these homes.

The interest in ZNC homes far exceeded expectations (as shown in Table 4). Media news stories helped improve our reach to more than 2 million. Interactions and views just on our own social media channels exceeded 100,000.

Table 4 Performance against summary outcomes in 2020–21

Performance measure	Planned outcome	Achieved outcome
ZNC homes built	6	38
ZNC display homes built or in the pipeline	6	10
ZNC home sales to consumers	Offer only	178
ZNC home sales without financial support from SV	Offer only	140
Number of customer enquiries	500	812
Reach	7,000	115,000 (SV channels only)
Research pieces delivered	4	7
Volume home builders are actively offering ZNC homes	3	3

SV released [a summary report and a series of case studies on our website](#).

In 2020–21, SV offered a face-to-face sales training program. Developed by the NSW Department of Planning, Industry and Environment, this program gave builders the knowledge to persuade customers to invest in sustainable homes. The program was rolled out to three builders and a land developer.

Building a ZNC Home



Figure 17 Image used in the Zero Net Carbon home promotional material

A zero net carbon home combines an energy-efficient building design and fixed appliances with a solar energy system to help reduce running costs, increase comfort and curb carbon emissions.

It is designed to produce enough renewable energy to offset the annual greenhouse gas emissions of its estimated energy use.

Common features include correctly installed, high-quality insulation, double-glazed windows, energy-efficient appliances, orientating living spaces to the north, solar panels, LED lighting and draught proofing.

Benefits of a ZNC home

Lower home energy bills: ZNC homeowners can expect to halve their energy bills compared to a new 6-star NatHERS rated home built in Melbourne (depending on occupant numbers and behaviour as well as the size of the home).

Increased comfort and quality: ZNC homes produce comfortable internal temperatures and are warm in winter and cool in summer.

Reduce carbon emissions: ZNC homes can reduce greenhouse gas emissions by 5 to 8.5 tonnes per year, when compared to a home built to current industry standards.

Improved wellbeing: Better sealing keeps out dust and pollen and double-glazing and insulation reduces unwanted external noise. Living in comfortable and consistent internal temperatures protect occupants from the external temperatures and can improve health outcomes.

“This program shows ZNC homes are an achievable and affordable product. With the right sales approach and marketing, they can be presented as an attractive value proposition to buyers.”

Claire Ferres Miles, CEO, Sustainability Victoria

7 Star Homes Program

In 2020–21, SV prepared to launch our \$2.19 million 7 Star Homes Program to increase the capability and capacity of businesses and individuals in the building and construction industry to deliver more energy-efficient homes in the residential building market. The program forms part of the 2020–21 State Budget measure 'Clean Energy Transition Initiatives'.

The 7 Star Homes program will support builders to deliver homes that exceed current standard energy efficiency requirements in anticipation of updates to the NCC planned to take effect from September 2022, improving thermal performance to make homes more comfortable and resilient while strengthening appliance energy performance to make homes cheaper to run. This supports commitments in Victoria's Climate Change Strategy and the Energy Sector Emissions Reduction Pledge.

The innovative 'Zero Net Carbon Homes tool' developed under the ZNC homes program was enhanced to become a whole-of-home pilot tool, which will be updated later in the next financial year to align with the NCC changes for whole-of-home assessments.

SV commissioned qualitative research to identify how the program can provide the best support for builders and land developers. This research will be shared with other government departments.

3.7 Incentivising small businesses to upgrade energy efficiency

The Small Business Energy Saver Program will deliver \$5 million in bonuses to small businesses across Victoria that upgrade to energy-efficient equipment.

Launched in 2021 and building on SV's strong relationships and data for small business, this program promotes energy efficiency upgrades available under the Victorian Energy Upgrades (VEU) program.

From April 2021, the VEU delivered energy efficiency upgrades at 34 businesses, with each upgrade costing an average of \$1,500. In addition, 1,600 Victorian energy efficiency certificates were created through the small business energy saver program, equating to 1,600 tonnes of lifetime emissions abated.

Small businesses can apply for the existing incentives with an additional rebate of up to \$2,000 to cover items like replacing inefficient electric and gas hot water systems and installing energy-efficient refrigerator display cabinets.

The program also funds local governments, Greenhouse Alliances and industry associations to promote the program and provide energy efficiency advice to SMEs.



**\$5 million in bonuses
for small businesses
to reduce energy costs
and save money**

Register now

[sustainability.vic.gov.au/
small-business-energy-saver](https://sustainability.vic.gov.au/small-business-energy-saver)

 Sustainability
Victoria 

Figure 18 Promoting the Small Business Energy Saver Program on social media

We proactively identify future opportunities through data insights and system thinking

Strategic focus area 4

The shift to a circular economy relies on high-quality and transparent data. Good data will support investment in materials and recycling, inform better decision-making and allow the government to monitor progress towards a circular economy.

At SV, SV collects and provides reliable data, market and behavioural insights for Victorians. This information helps inform sound investment, improve materials and recycling management, track Victoria's progress to a circular economy, influence climate change and energy initiatives, and articulate Victoria's transition to a circular, climate resilient clean economy.

Thanks to the Victorian Government, SV has been allocated \$7 million over four years to deliver a new materials data system, expanded data and intelligence, and a framework to measure Victoria's transition to a circular economy.

Under RV, SV are responsible for developing a framework for monitoring progress towards the circular economy, including identifying indicators and metrics.

In 2020–21, SV developed key measures and metrics and established baselines to measure Victoria's progress towards a circular economy. The final report is due in July 2021.

Highlights in 2020–21

Our key achievements included:

- › 4 Recovered Resources Market Bulletins delivered to give decision makers a better picture of the health of resource recovery markets
- › SV contributed to the successful launch of the Fight Food Waste Cooperative Research Centre (FFWRC) report on Australian household attitudes and behaviours around food waste
- › 50 commercial buildings funded to audit their energy and retrofit buildings to improve their environmental rating by an average of 1 star
- › \$459 million in energy bill savings through the E3 energy efficiency program

4.1 Improve materials data systems and increase market intelligence

SV is working on a new materials and recycling data system to enable better materials management and circular economy monitoring. SV are developing a new materials projection model to help us better understand how we do this.

SV has published the Recovered Resources Market Bulletins since early 2019 to give an up-to-date picture of the health of resource recovery markets, ongoing challenges and opportunities in the sector, and details of actions taken to improve the resilience and recovery performance of kerbside recycling.

Reports are produced in partnership with the Materials Management and Resource Recovery Association of Australia. They are written by industry specialists Envisage Works, Sustainable Resource Use and Industry Edge for SV and supported by DELWP and EPA.

In 2020–21, SV distributed four bulletins.



4.2 Researching food waste

Victoria is part of a global movement to halve food waste by 2030.

In 2020, SV published The Path to Half, which set out the true cost of food materials in Victoria. The Path to Half was based on an enormous body of research into food materials solutions from across the globe and their potential to reduce food materials and its impacts in Victoria.

This report gives us the first ever Australian perspective on the impacts of food waste and food production on climate change, water loss and economic costs.

SV thankfully acknowledges the contribution of the many stakeholders involved in bringing this information together.

The FFWRC outcomes have progressed within scope and budget. A final draft of the FFWCRC report on Australian household attitudes and behaviours around food waste, including results and detailed segmentation of nationwide bin audits, has been received. The SV financial contribution of this partnership has been reconciled in a timely manner while the in-kind component of the arrangement will continue throughout 2021–22.



4.3 Better Commercial Buildings case studies

Better Commercial Buildings program was a key program under SV2020. SV funded 50 commercial buildings to audit their energy and retrofit buildings to improve their National Australian Built Environment Rating System (NABERS) rating by an average of 1 star.

The project highlighted the growing opportunity of data analytics. Two building data analytics companies were engaged to monitor over 20 buildings and show improvements in energy efficiency through better building management.

The case study reports from these buildings highlight a cost-effective way to reduce building energy use, and reduce carbon emissions from commercial buildings.

4.4 Energy efficiency program and research insights

SV provide energy efficiency program and research insights to statewide and national energy policy processes.

E3 Program

The E3 Program implements mandatory energy labelling and minimum energy performance standards for appliances and equipment in Australia.

SV has provided Victoria's lead representative on this national program committee since 2002. SV also reviews technical papers and participates in working groups.

SV has managed a range of E3 projects over the years, including gas appliances and industrial equipment projects. In 2021, the E3 program delivered the below impacts for Victorians.

E3 program impact in 2020–21

\$459 million	in energy bill savings
1.57 million tonnes	of carbon dioxide equivalent in greenhouse savings
2,009 GWh	of electricity savings

Victorian Energy Upgrades

SV's active involvement in developing and maintaining the Victorian Energy Upgrades (VEU) scheme, through the provision of modelling and technical support to DELWP has contributed to 67 million energy saving certificates being registered since the scheme's inception in 2009. Each certificate is equivalent to 1 tonne CO₂-e of lifetime abatement.

4.5 Design a nationwide consistent litter measure

In 2020–21, SV with the support of NSW EPA and the Queensland government, SV worked with Australian states and territory governments to develop a consistent litter measurement methodology, for ongoing, reliable litter data collection across state borders. The methodology will be released and promoted in 2021–22 for governments and land managers to use. Based on the success of this national partnership model, SV will continue to work with state and territory governments to share, cross promote and coordinate litter prevention and management activities.

We partner with our community to achieve local solutions

Strategic focus area 5

SV understands the appetite for climate change that already exists across Victoria and SV works with communities to deliver statewide climate change strategies at a local level. SV supports communities to transition from high materials and emission livelihoods and lifestyles, to create new, sustainable business and social models.

The RV policy and Victoria's Climate Change Strategy and other associated policies give Victorians the confidence to invest, and the ability to network and share resources. SV takes this even further by connecting Victorians, offering low-cost capital grants and helping fast-track small-scale community projects.

Highlights in 2020–21

Our key achievements included:

- › Launch of two funding rounds, including:
 - Recycling Victoria Communities Fund
 - Community Power Hubs Program
- › 583 schools actively participated in the ResourceSmart Schools program, saving over \$4.3 million on their annual energy bills
- › 315 home energy upgrades for low-income and health-affected households completed

5.1 Recycling Victoria Communities Fund

The RV Communities Fund provides grants to local community groups, social enterprises, charities and not-for-profit organisations to deliver community-based circular economy projects and engage the community in local solutions for low-waste living.

Round 1 funding opened in January and closed in March 2021, with 72 applications received.

WRRGs worked with local applicants on their project ideas and helped link them with project partners.

Successful applicants were announced in July 2021, with Round 2 of funding to be launched in early 2022.

5.2 Community Climate Change and Energy Action Fund

The Community Climate Change and Energy Action Fund was launched in 2021 to support local community groups to invest in their facilities to reduce greenhouse gas emissions, improve climate change resilience and reduce energy cost exposure. The fund enables community groups, sporting clubs, volunteer-run organisations, and early childhood education facilities (like kindergartens) to apply for financial support to install solar panels and batteries, purchase electric vehicles or undertake energy efficiency upgrades to community buildings and other innovative emission reduction activities.

The Program was launched in July 2021 and is on track for completion within two years (June 2023).

5.3 Community-based renewable energy projects

We develop and deliver community-based renewable energy projects to facilitate equitable benefit sharing for large-scale renewable energy developments, and engage extensively with community to build community support and social licence for renewable energy. This is done in collaboration with Bushfire Recovery Victoria, DELWP, local government and the private sector.

Community Power Hubs

The Community Power Hubs (CPH) program was launched in 2021. Based in each of Victoria's regions, the hubs will work closely with their communities to offer trusted advice on clean energy solutions and will support, develop and deliver locally owned, cost-effective renewable energy projects.

Three hubs in Ballarat, Bendigo and the Latrobe Valley were developed in 2017 under a 3-year pilot program. The program was designed to trial a new model for the development of funding-ready projects to be supported by community, government or private investors.



Figure 19 Supporting local community renewable energy

Transitioning communities to net-zero emissions

In 2020–21, five \$10,000 Zero Carbon Community Transition grants were awarded to support targeted local government and community organisations to increase the speed, scale or scope of the zero carbon transition in their community or the broader Victorian community.

The program builds on the success of the [Hepburn Z-NET](#) pilot as part of our TAKE2 Community Transitions Pilot Program.

Creative twist in shire's net-zero emissions story

The central Victorian Mount Alexander Shire community has started its journey towards net-zero emissions – and the arts and creative industries will play a unique role in envisioning a sustainable, climate resilient future for the region.

The Shire council and Mount Alexander Sustainability Group are leading the community effort to become Australia's second zero net emissions (Z-NET) shire, with help from our Zero Carbon Community Transition grants.

This forward-thinking community has started planning for its transition to a future economy that is low carbon and adapted to climate change, using the blueprint developed in nearby Hepburn Shire. Hepburn was the home of our Community Transitions Pilot Program and is set to be the first Z-NET emissions shire in Australia by 2029, and satisfy 100 per cent of their energy needs from renewable sources.

Now, with the Victorian Government's \$10,000 grant matched by local funding from council and community, and insights from Hepburn in hand, work on Mount Alexander Shire's own transition has begun.

Jodi Newcombe, Climate Change Coordinator at Mount Alexander Shire Council, says a whole-of-community approach driven by council, community organisations and locals will be key to the delivery of the transition master plan by 2021.

'We're canvassing within the community, and we hope to bring everyone along with that vision,' she says. 'It's very much a partnership.'

The Shire is home to many 'creators and makers' and a member of the creative industries is included in the steering group to ensure the creative sector helps drive future investment.

Newcombe also envisages the arts to be a tool for storytelling, to imagine what a sustainable, climate change-adapted future might be like – and to incorporate First Nations' voices.

5.4 Sustainable schools

SV helps schools to embed sustainability into their campus, curriculum and community, leading to reductions in resource use and increased action on climate change.

ResourceSmart Schools (RSS) supports Victorian schools to embed sustainability across the school facilities, community and curriculum, while saving resources and money for the school. Since 2008, more than 1,400 schools have participated.

In 2020–21, 583 schools actively participated in the RSS program, which was below our target of 700. Our ability to work with schools and recruit new schools was impacted by the challenging circumstances facing the education sector due to coronavirus (COVID-19) restrictions.

SV explored online engagement, running multiple teacher sessions throughout late 2020 and early 2021 to share resources, upskill on techniques to engage student voices in sustainability and ran workshops to help psychologically prepare teachers to work with students on climate change and how to start sustainability projects in schools.

While online engagement is no substitute for face-to-face contact, it did give teachers better access to RSS delivery partners and reduced travel across the state.

RSS schools saved 13,433,957 kW of energy in 2020, avoiding more than 17,377 tonnes of greenhouse gases. This was well above our target measure of 8,500,000 kWh of energy saved by Victorian schools through SV programs.

In April 2021, SV launched the first Schools of the Future Challenge to replace the RSS Schools awards for 2021.

5.5 Healthy Homes

The Victorian Healthy Homes Program is a Victorian Government home energy efficiency program. It provides free home energy upgrades to up to 1,000 Victorians who live with complex healthcare needs and have low incomes, in Melbourne's western suburbs and the Goulburn Valley.

The program aims to improve indoor winter temperatures and reduce household energy bills. Recruitment of eligible households began in January 2018 and was completed in March 2020. Upgrades to successful households will take place until late 2021.

In 2020–21, SV upgraded 315 homes, taking the total number of home upgrades to 802 over the life of the program.

Delivery of this program was impacted by coronavirus (COVID-19) restrictions, especially in 2020 but SV were able to meet our target of completed home energy upgrades in 175 low-income and health-affected households.

ResourceSmart Schools of the Future Challenge

Victorian schools were invited to enter the Schools of the Future Challenge with a chance to win one of 15 \$1,000 cash prizes to assist their school's sustainability journey.

The challenge is a series of three video resources guiding students through a range of activities to practice and develop future thinking and active citizenship, teamwork and collaboration skills to encourage student voices in planning sustainability activities in schools.

Students had a lot of fun completing the challenge, while gaining valuable experience in futures thinking and action planning techniques.

One of the lucky winners from 4-Star school, Brentwood Secondary College in Glen Waverley, and school captain of the green team, Yafei Cao, said that the challenge gave them a chance to "brainstorm and design the sustainable school we have been dreaming of."



Figure 20 Promoting the ResourceSmart Schools Future Challenge on Facebook

Our culture

SV is a great place to work, where passion for the environment, rich knowledge and insights and positive culture come together to create a more sustainable future for Victoria. SV consciously builds our culture, aiming for a workplace that is achievement-oriented and encouraging (see Figure 21 for SV's cultural aspirations).

SV are committed to providing an environment where all our staff feel they can proudly bring their full and authentic self to work and have their talents recognised and applied to some of the toughest sustainability issues facing our state.

In 2020–21, SV began to strengthen the value we provide to Victorians in the areas of program impact, data and community insights and the agility and scalability of our services. SV have a program of transformation, working together to create new, collaborative ways of working, including technology, program design, storytelling, leadership, research and behaviour change.

Our cultural aspirations

We are ONE SV We are an inclusive community of diverse individuals, working collaboratively to achieve our shared goals.	We have a Growth mindset We bring our experience, skills and knowledge to everything we do; we are committed to personal and professional growth.
We are COURAGEOUS and BOLD We are open to new ideas, value, creativity and encourage each other to think differently, take well-informed risks and be courageous in our exploration.	We are IMPACTFUL We deliver impactful and measurable outcomes, holding each other to account, being brave in our decision making and adopting a 'can do' attitude.
We are INSIGHTFUL We see the big picture and think longer term, adding value through insight, leveraging our rich evidence, data and research to explore scenarios and create new opportunities.	We are AGILE We are flexible and agile and redirect resources to achieve the maximum benefit for the Victorian Community. We foster a 'safe-to-fail' environment where staff are empowered to innovate and try new things.

Figure 21 SV's cultural aspirations

Diversity and inclusion

SV is wholly committed to fostering a safe and inclusive workplace where every person can bring their whole self to work. To support this, SV's Diversity and Inclusion Plan 2023 was endorsed in June 2020 with the Year 1 report back presented to the executive leadership team in June 2021.

Our diversity and inclusion purpose is to individually and collectively transform our workforce into one that is representative of the Victorian community.

The plan has six pillars – each focused on a specific diversity and inclusion area – that drive our priorities and actions.

Since the formal launch of the plan in September 2020, SV have:

- › developed a tailored Acknowledgment of Country for SV staff to use internally and externally
- › purchased two paintings by Aboriginal artists through The Torch, following a staff fundraising initiative. The digital versions of these were subsequently purchased by SV to amplify this action and highlight the social enterprise, aligned with SV's social procurement framework requirements – one of those appears at the beginning of this document and the other has been used for SV2030
- › hosted an all-staff session in January to reflect on the meaning of 26 January and if/how much SV have progressed the reconciliation agenda since the 2008 Apology to Australia's Indigenous Peoples
- › hosted an all-staff session for International Day of Disability on 1 December 2020 with Rebecca Adam, President of the International Committee of Sports for the Deaf, our guest speaker together with her AUSLAN interpreter Paul Heuston
- › improved digital accessibility for internal documents and systems
- › hosted an all-staff session to acknowledge and celebrate Lunar New Year 2021
- › hosted an all-staff session for International Women's Day with Professor Veena Sahajwalla our guest speaker
- › completed Trans and Gender Diverse 101 training delivered by Transgender Victoria
- › developed a survey to understand the experience of SV graduates and interns and what support they need to improve their experience.

Our wellbeing

A key focus this year has been keeping staff wellbeing front of mind as we transitioned to remote working while going through a significant period of organisational change.

Over 2020 and 2021, SV introduced a range of wellbeing initiatives to support staff, including:

- › resilience and wellbeing workshops
- › collaboration with Smiling Mind including Smiling Mind App access
- › an extended Employee Assistance Program service
- › a range of internal initiatives
- › staff wellbeing days

A COVIDSafe Plan was developed in March 2020 when the organisation transitioned to 100 per cent remote working.

IPAA Victoria Leading Employer award

IPAA Victoria is a professional association for the public sector. In 2021, SV was announced as an IPAA Victoria Leading Employer Finalist/Runner-up for our Transformation Program.

This award recognises public sector employers that take an innovative and holistic approach to its people.

IPAA Sustainable Communities and Environments Award

SV was the Winner of IPPA Sustainable Communities and Environments Award for our Community Power Hubs Pilot program. This award recognised how the pilot program empowered communities in Ballarat, Bendigo and the Latrobe Valley to lead and develop finance-ready clean energy projects using an innovative, Australian-first model for community energy.



Risk maturity

SV measures risk maturity annually using the Victorian Managed Insurance Authority (VMIA) risk maturity tool. As at June 2021, SV's risk maturity rating is 70 per cent placing SV in the 'embedding' category which represents integrating risk management into agency business structures and processes. This will allow SV to understand how risk management can enable agility and aid the achievement of strategic objectives. SV's risk maturity rating continues to track in the right direction and close to target, increasing from 67 per cent in FY19/20 and 54 per cent in FY18/19.

Grants online

SV introduced SmartyGrants, an online grants administration platform, in May 2020 to receive and manage applications. This system allows for more efficient, effective and transparent management of a grants program from application to acquittal. It has digitised and streamlined SV's grant-making process, boosted SV's capacity to administer multiple grant programs simultaneously as well as providing a single repository for accurate reporting on grants. Since its introduction, the SmartyGrants platform has hosted 12 grant programs.

Performance reporting (financial)

Five-year financial summary

Table 5 outlines our five-year financial summary and current year financial review.

Table 5 Five-year financial summary and current year financial review

	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Income from Government	48,119	48,084	166,377	40,591	33,778
Total income from transactions	51,864	51,877	170,768	43,898	36,661
Total expenses from transactions	(47,117)	(58,116)	(153,560)	(40,645)	(32,881)
Net result from transactions	4,746	(6,238)	17,208	3,248	3,780
Net result for the period	4,646	(6,223)	16,993	3,170	4,056
Net cashflow from operating activities	28,930	(20,779)	38,591	4,099	6,363
Total assets	93,897	52,614	84,214	36,372	32,676
Total liabilities	70,164	33,527	35,949	5,100	4,574

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 2020–21

SV recorded a net result from transactions of a surplus of \$4.75 million, which is an improvement of \$10.98 million compared to 2019–20. Income from transactions decreased by \$0.01 million (0.03 per cent) and total expenses from transactions decreased \$11 million (19 per cent).

Financial position – balance sheet

Total assets increased by \$41.28 million and total liabilities increased by \$36.64 million compared to the prior year.

Cash flows

SV has in place a Financial Sustainability Strategy which seeks to ensure the organisation's financial sustainability and maintain an adequate financial buffer in the out years. We generated an operating cash inflow of \$28.93 million during the year (2019–20: operating cash outflow of \$20.78 million) attributable to a number of large projects for which agreements were finalised in the closing stages of the year, triggering significant receipts of government funds in advance of project activity.

In 2020–21, SV maintained a working capital level of \$5.5 million to ensure the organisation was 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 levy distribution, with investment decisions made by the SV management and Board.

Significant changes in financial position

SV did not have any significant changes in financial position.

Significant changes or factors affecting performance

Victoria remains affected by the evolving coronavirus (COVID-19) situation. This continues to have an impact on the operating and economic environment for SV such as hybrid working environments for employees and associated wellbeing initiatives, and some programs being paused during the period due to delivery risks.

Management have considered the impacts of coronavirus (COVID-19) on the judgements and assumptions applied to accounting policies and estimates that may result in a decline of the carrying amounts for assets and liabilities. The impacts and assessments have been considered on assets and liabilities and have been determined as not being material. Additional financial impacts have been considered on revenue and expense items in line with the government's announcements and these have also been determined as not being material.

Following a review of accounting policies, SV have made an adjustment to prior year retained earnings to ensure that cumulative revenue recognition under AASB 15 (Revenue from contracts with Customers) is consistently reflected. Comparatives have not been restated.

Further detail can be found in the notes to the Financial Statements.

Capital projects

In 2020–21, 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

SV executed a lease for new premises which it will move into shortly after the end of the financial year. As a consequence of the mandatory adoption of AASB 16 *Leases*, our results for next year will reflect the capitalisation of the lease and therefore increases in both assets and liabilities.

Further detail can be found in the notes to the Financial Statements.

Governance and organisational structure

Figure 22 shows SV's organisational structure as at 30 June 2021.

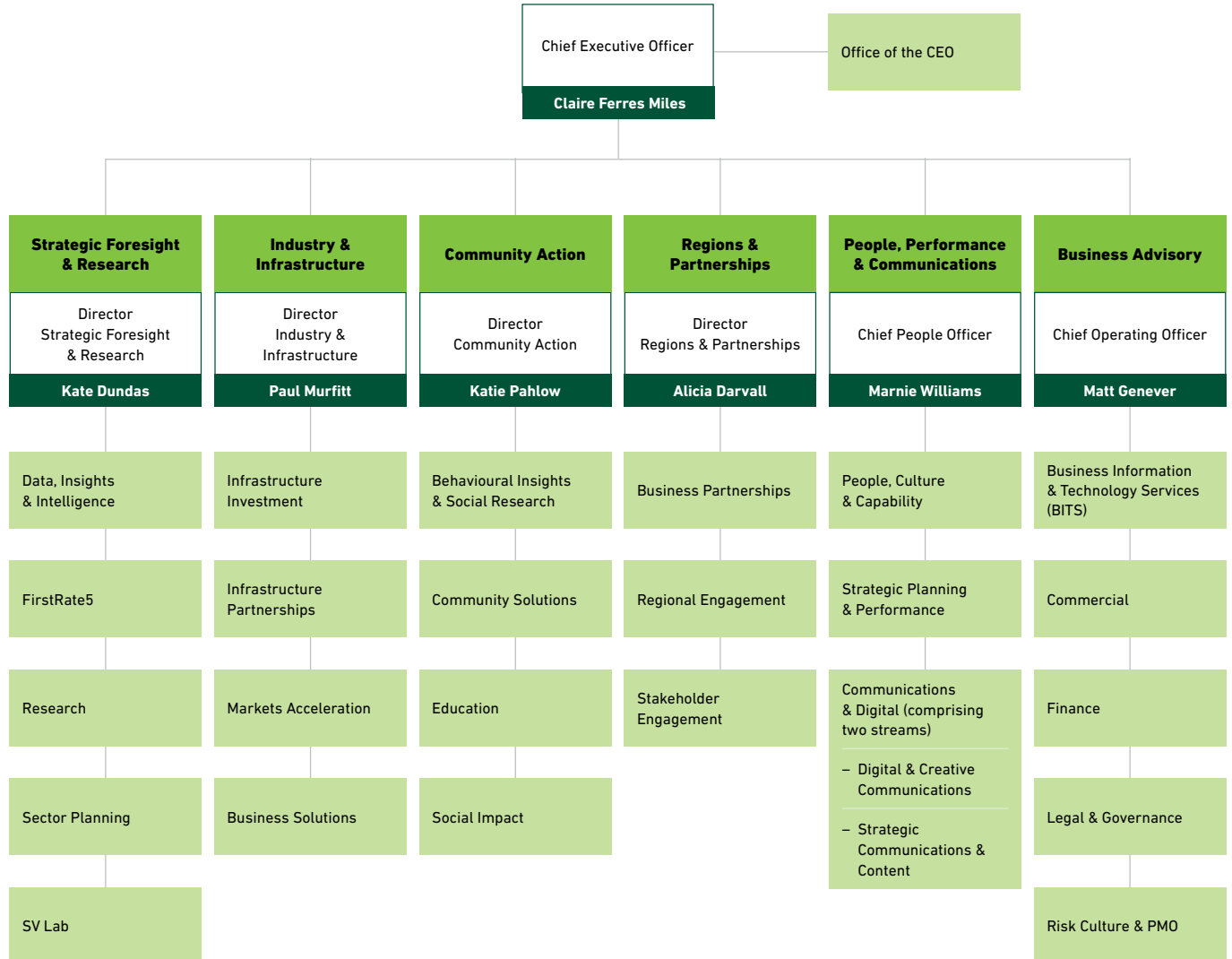


Figure 22 SV's organisational structure as at 30 June 2021

Our Board

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

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

- › sets our strategic direction, objectives and performance targets
- › selects the 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 2020–21, the Board continued its focus on setting the future direction for SV, developing our long-term strategy, SV2030, to be launched in 2022.

In June 2021, Vicky Darling retired from the Board, having spent the last 11 months as interim Chairperson of the Board. During her term as Chair, Vicky led the Board through a review of its effectiveness, developing processes and strategies to ensure sound efficient decision making.

The Board also farewelled Sarah Clarke, who joined the Board in 2017 and became Deputy Chairperson in 2019, and Megan Flynn, who resigned in October 2020. Both Megan and Sarah brought a critical strategic lens to the work of the Board, with the perspective of sustainability professionals in the private sector.

The Minister for Energy Environment and Climate Change appointed Johan Scheffer as the new Chairperson for a five-year period commencing on 1 June 2021.

Four new Board members were appointed on 15 June 2021 - Judith Landsberg (appointed Deputy Chairperson), Meredith Banks, Sarah McDowell and Mark Wakeham.

The Board initiated a Strategic Governance Review during this reporting period. The review resulted in improvements in the board governance processes, including a comprehensive forward planner to capture strategic discussions and refreshed terms of reference for the board committees.

Board attendance

The Board met nine times during 2020–21. The attendance of individual members is set out in Table 6.

Table 6 Board attendance in 2020–21

Member	Meetings attended	Number eligible to attend
Vicky Darling (Interim Chairperson) until 1 June 2021	8	9
Sarah Clarke (Deputy Chairperson) until 30 May 2021	6	9
Peter Castellás	8	9
Megan Flynn (to 31 October 2020)	1	3
Judith Harris	9	9
Kerry Osborne	9	9
Neil Pharaoh	8 [^]	9
Johan Scheffer (Chairperson) as of 1 June 2021	*	*
Judith Landsberg (Deputy Chairperson) as of 15 June 2021	*	*
Meredith Banks	*	*
Sarah McDowell	*	*
Mark Wakeham	*	*

[^]Personal leave July and August 2020

*No meetings held between date of appointment and end of financial year

Our Board members



Johan Scheffer, Chairperson (from 1 June 2020)

Johan Scheffer joined the Board of Sustainability Victoria after a long and distinguished career in education, children's services, policy development, private consultancy and as a Member of the Parliament of Victoria.

Mr Scheffer brings considerable knowledge and experience in government policy, program management and public administration. Throughout his career he has made it a priority to engage directly with the communities and organisations affected by government decision-making and has actively engaged in local campaigns.

Johan's work as an MP involved legislation, advocacy and, as chair of Joint Investigatory Committees, directing research and consultation with communities and experts, across Australia and internationally.

Mr Scheffer has a longstanding engagement in environment policy, and during his time as the Member for Eastern Victoria worked with communities and organisations on a broad range of environment issues, including forestry, farming, water, coasts and the uncertain future of the coal industry in the Latrobe Valley and the impact this would have on the local community and on Victoria as a whole.



Judith Landsberg, Deputy Chairperson (from 15 June 2021)

Judith Landsberg has founded and led educational and environmental initiatives, delivered complex climate and energy projects to industry and government, and she has an ongoing interest in innovation in the energy sector.

Judith's experience includes leading a project for the Bureau of Meteorology to provide tailored climate information to the electricity sector for climate risk analysis, and leading the City of Melbourne Low Carbon Future team, including delivering the Melbourne Renewable Energy Project.

Judith ran Greenrock, a leading sustainability non-profit in Bermuda that provided environmental education and sustainability advocacy, bringing an award-winning, UN-endorsed, environmental education program to Bermuda's schools. She also has experience in education, having taught high school. She was also manager of scholarships for the General Sir John Monash Foundation.

Judith is an experienced non-profit director. She has a Bachelor of Science in Physics from ANU, a PhD in Physics from Oxford University, and a Master of Environmental Leadership from Duke University. She is a fellow of the Institute of Community Directors Australia (ICDA).



**Vicky Darling, Interim Chairperson
(until 31 May 2021 and Member until 9 June 2021)**

Vicky Darling brings over 20 years' 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 operates her own consulting business, having previously served as CEO at Volunteering and Contact ACT for three years.

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 Board of the Australian Capital Territory 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 served as interim Chair including being an ex-officio member of the Board's Audit Risk and Finance Committee, and Performance and Culture Committee.



Sarah Clarke, Deputy Chairperson (until 30 May 2021)

Sarah leads Mirvac's highly regarded Environmental, Social and Corporate Governance (ESG) group and sustainability strategy, *This Changes Everything*, and is also deputy chair of Cladding Safety Victoria.

Sarah has deep public affairs and sustainability experience across multiple sectors, industries, and jurisdictions, including federal and state government, top 20 ASX, and not-for-profit (as a non-executive director), in oil and gas, public transport, and social policy, across Australia and internationally.

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. Sarah is a member of the Board's Performance and Culture Committee.



Meredith Banks (from 15 June 2021)

Meredith brings diverse experience to the Board of Sustainability Victoria after more than 20 years working with public and private sector organisations to champion sustainability and environment.

Meredith's expertise leading holistic Sustainability strategies, seamlessly integrated into corporate business strategy, provides her a unique perspective on delivering value through Sustainability.

Currently the Head of Sustainability for Vicinity Centres, Meredith is working to embed Sustainability into every facet of one of Australia's leading property portfolios. Meredith's delivery of business, social and environmental sustainability programs, has positioned Vicinity as one of the world's most sustainable retail Real Estate Investment Trusts.

Prior to her time at Vicinity, Meredith was the Director of ESG for Treasury Wine Estates (TWE), where she led the development and direction of TWE's global corporate responsibility program. She has also held sustainability and environmental roles with Metcash, Lion Group and Visy.

After working for industry body and public-sector organisations, Australian Food & Grocery Council – Packaging Stewardship Forum and EcoRecycle Victoria, Meredith also has an acute understanding of public practice and advocacy.



Peter Castellias

Peter Castellias has more than 20 years' experience in environment and sustainability. He is the chief executive of Tasman Environmental Markets. Peter is also director at Clean Technology Australasia and a member of the Queensland Climate Advisory Council. From 2013 to 2018, Peter was the chief executive of the Carbon Market Institute, 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. Peter chairs the Board's Performance and Culture Committee.



Megan Flynn (to 31 October 2021)

Megan is a partner in 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 with a background in law, sustainable business management and corporate strategy. Megan 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 was a member of 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 career in education included secondary, adult, aboriginal and tertiary education. Judi tutored for Monash, Deakin and La Trobe Universities mostly in communication studies and professional writing. She then took up 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 Performance and Culture Committee.



Sarah McDowell (from 15 June 2021)

Sarah McDowell has 15 years experience in energy policy and regulation in Australia. Currently serving as a Commissioner at Energy Safe Victoria and as a consultant, Sarah has extensive experience in developing and implementing policies and programs focused on enabling renewable energy in our grid and driving energy efficient outcomes in our industries and communities.

Prior to commencing her Commission appointment, Sarah led the energy division at Victoria's utility regulator, the Essential Services Commission. During this time, Sarah oversaw both a record growth in licenses issued to renewable energy generators and the reform of our electricity network rules to enable more distributed energy resources across Victoria's grid.

Sarah's previous other roles include advising government on energy efficiency policies, including the Victorian Energy Upgrades program. She has also worked at the Australian Energy Regulator, advising its board for six years on regulatory matters. Sarah holds qualifications in economics, politics and law.



Kerry Osborne

Kerry's strengths lie in strategic leadership, financial sustainability and positive organisational change. Kerry is the managing partner of the mentoring consultancy, The Leader's Mentor. Kerry also holds other Board positions (two as Chair), some of which are across environmentally sustainable industries. He has had significant leadership roles across both government and corporate sectors.

Prior roles include chief executive of the Courts of Victoria and managing director of CityWide Services, an environmental, engineering and recycling business, owned by the City of Melbourne. Earlier he was the founding CEO of Excell Corporation delivering environmental, facilities management and engineering services to local government, across eastern Australia.

Kerry holds a Master of Business Administration (Chicago Booth Business School), is a civil engineer and is also a Fellow of the Australian Institute of Company Directors. Kerry chairs the Board's Audit, Risk and Finance Committee.



Neil Pharaoh

Neil Pharaoh has more than 15 years of domestic and international experience in campaigning, advocacy and stakeholder engagement. He is an experienced Senior Consulting Executive, advising and consulting to improve strategy, impact, outcomes and engagement across the social purpose and business sectors.

Before consulting, Neil worked in various senior fundraising, marketing, communications, campaigns and government relations roles including education and child welfare and, internationally, in geopolitical risk and international aid and development organisations.

Neil currently serves as director for a number of philanthropic, health and education organisations. Neil has a Bachelor of Commerce (Accounting and Marketing) and Bachelor of Laws from the Australian National University and is a graduate of the Australian Institute of Company Directors. Neil is a member of the Audit, Risk and Finance Committee.



Mark Wakeham (from 15 June 2021)

Mark Wakeham has over two decades experience working on climate and sustainability policy, campaigns and communications. He is an experienced board director, CEO and changemaker.

Mark has held leadership roles in the Australian environment movement including as CEO of Environment Victoria. He has established a successful consultancy focussed on organisational strategy and governance for purpose-based organisations. Mark has deep expertise on climate, energy and sustainability issues, systems and solutions. He currently works as the Australian Program Director for The Sunrise Project and is a Trustee for the Reichstein Foundation.

Mark holds a Bachelor of Arts (History) and Commerce (Economics) and a Graduate Diploma in Adult Education. He is a graduate of the Australian Institute of Company Directors and was awarded a Churchill Fellowship in 2020.

Board committees

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

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee is established in accordance with the requirements of Standing Direction 2018 under the *Financial Management Act 1994* (Section: 3.2.1: Audit Committee). 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.

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
 - 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 2020–21. Attendance is listed in Table 7

Table 7 Audit, Risk and Finance Committee membership and attendance in 2020–21

Member	Meetings attended	Eligible to attend
Kerry Osborne (Chairperson)	6	6
Liza Maimone (Independent member)	3	6
Neil Pharaoh	5 [^]	6
Judi Harris	6	6
Vicky Darling (Board Chairperson -ex officio)		

[^]Personal leave July and August 2020

Performance and Culture Committee

The Board's effectiveness review explored the role of both its committees for relevance to SV's operating context. In February 2021, the People Culture and Remuneration Committee became the Performance and Culture Committee, retaining its legislative responsibilities for executive remuneration, but with a dedicated focus on organisational performance.

The primary responsibility of the Performance and Culture Committee (Committee) is to assist the Board in fulfilling its corporate governance responsibilities by:

- › monitoring organisational performance
- › overseeing and guiding CEO performance and remuneration including setting, monitoring and evaluating the CEO Annual Performance Plan
- › succession planning and annual program of professional development for the Board and the CEO
- › other priority matters related to organisational performance as nominated by the Board or CEO.

The committee met three times in 2020–21. Membership and attendance is listed in Table 8.

Table 8 People, Culture and Remuneration Committee (PCRC) and Performance and Cultural Committee (PCC) membership and attendance in 2020–21

Member	PCRC meetings attended (to Feb 2021)	PCC meetings attended (from March 2021)	Eligible to attend
Peter Castellás (Chairperson)	5	1	6
Sarah Clarke	5	1	6
Megan Flynn (until 31 October)	1		1
Judi Harris	5	1	6
Vicky Darling (ex officio from March 2021)	4	5	

Workforce data

Public sector values and employment principles

SV is committed to applying merit and equity principles when appointing staff. SV's selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of 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.

SV 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. SV 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 VPSC include:

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

Occupational health and safety

Our people are fundamental to our success. SV strive to integrate health, safety and wellbeing into everything SV does 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 Wellbeing (HS&W) policy which applies to all SV employees, contractors, agency temps, board members and volunteers (workers) as well as visitors.

In 2020–21, SV recorded:

- › zero worker's injury claims
- › no formal written complaints
- › no formal equal opportunity, bullying or harassment complaints
- › zero days of lost time due to injury.

Table 9 lists performance against HS&W management measures.

Table 9 Performance against HS&W management measures from 2015–16 to 2020–21

Measure	KPI	2020–21	2019–20	2018–19	2017–18	2016–17	2015–16
Incidents	No. of incidents	0	5	4	6	7	11
	Rate per 100 FTE	0	4.6	2.3	5.2	6.4	10.17
	Average time lost per occurrence (in days)	0	0	0	0	2	0
Claims	Number of standard claims	0	0	0	0	1	1
	Average cost per claim	0	0	0	0	0	1357
Management commitment	Evidence of OH&S policy statement	Complete	Complete	Complete	Complete	Complete	Complete
	OH&S objectives, regular reporting to senior management of OH&S and OH&S plans	Complete	Complete	Complete	Complete	Complete	Complete
Risk management	Percentage of internal audits/inspections conducted as planned	*33%	100%	100%	100%	100%	100%

FTE = full-time equivalent

*Fewer workplace inspections were conducted in 2020–21 given the office closure as a result of Victorian Government directive for employees to work from home.

Workforce profile

At 30 June 2021, SV employed 154 ongoing staff (146.7 full-time equivalent or FTE) compared to 147 ongoing staff (140.7 full-time equivalent) at 30 June 2020 (Table 10).

The proportion of women was 69 per cent, which remains unchanged from 69 per cent at 30 June 2020.

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

Table 10 Number of full-time equivalent staff from 2013 to 2020

2021	2020	2019	2018	2017	2016	2015	2014
146.7	140.7	172.6	114.8	108.8	108.2	112	110.7

Table 11 discloses the head count and FTE staff of all active public service employees at SV, employed in the last full pay period in June of the current reporting period, and in the last full pay period in June of the previous reporting period (2020).

Table 11 Details of employment levels in June 2020 and June 2021

	June 2021					June 2020								
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
	No. (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	No. (headcount)	FTE	No. (headcount)	FTE	Full-time (headcount)	Part-time	FTE	No. (headcount)	FTE
Gender														
Women	107	100.46	33	14	42.46	60	58	101	95.51	27	12	35.25	62	60.25
Men	47	46.20	17	1	17.80	29	28.40	45	44.2	19	2	20.6	24	23.6
Self-described	0	0	0	0	0	0	0	1	1	1	0	1	0	0
Age														
15–24	0	0	0	0	0	0	0	1	1	0	0	0	1	1
25–34	35	34.60	5	0	5.00	30	29.60	37	36.4	7	0	7	30	29.5
34–44	57	53.31	15	7	19.71	35	33.60	50	47	12	7	17	31	30
45–54	38	35.16	14	7	18.96	17	16.20	36	33.51	14	6	18.05	16	15.35
55–64	20	19.60	13	1	13.60	6	6.00	20	19.8	11	1	11.8	8	8
65+	4	4.00	3	0	3.00	1	1.00	3	3	3	0	3	0	0
VPS 1–6 grades														
VPS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0	2	2	0	0	0	2	2
VPS 3	3	3.00	2	0	2	1	1.00	4	4	3	0	3	1	1
VPS 4	44	40.86	12	5	15.26	27	25.60	40	37.31	9	4	11.65	27	25.65
VPS 5	77	73.11	24	9	30.11	44	43.00	74	70.7	21	8	26.5	45	44.2
VPS 6	21	20.70	12	1	12.90	8	7.80	21	20.7	13	2	14.7	6	6
Senior employees														
STS	1	1.00	0	0	0	1	1.00	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	8	8.00	0	0	0	8	8.00	6	6	1	0	1	5	5
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total employees	154	146.66	50	15	60.26	89	86.40	147	140.71	47	14	56.85	86	83.85

Yearly salary for senior employees

Table 12 discloses the annualised total salary for senior SV employees, categorised by classification. The salary amount is reported as the full-time annualised salary.

Table 12 Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000						
\$160,000 – \$179,999		1				
\$180,000 – \$199,999						
\$200,000 – \$219,999						
\$220,000 – \$239,999	7					
\$240,000 – \$259,999						
\$260,000 – \$279,999						
\$280,000 – \$299,999						
\$300,000 – \$319,999						
\$320,000 – \$339,999						
\$340,000 – \$359,999	1					
\$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						
Total	8	1				

Workforce inclusion policy

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

Our workforce 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. SV 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, it is our philosophy that our workforce should generally reflect the composition of the Victorian labour market and working age population. If SV identify variances, they will 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 eight executive officers in 2020–21 were responsible for leading the business and providing oversight of strategy and operations. They all held fixed term positions. Table 13 and Table 14 show the breakdown of executive officers by gender and reconciliation of executive numbers.

Table 13 Breakdown of executive officers by gender

Class	Man Number	Woman Number	Self-described Number	Vacancies
SES-3 (E0-1)		1		
SES-2 (E0-2)				
SES-1 (E0-3)	2	4		
VPS-7		1		
Total	2	6	0	0

Table 14 Reconciliation of executive numbers from 2017–18 to 2020–21

	2020–21	2019–20	2018–19
Executives	8	9*	7
Less separations	(0)	(3)	(0)
Leave without pay	0	0	0
Long-term acting arrangements	0	2	0
Total executive numbers at 30 June	8	7	7

*The number of executives in 2019-20 was eight but have kept the number at nine to accurately reflect what was reported in 2019-20 annual report.

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 Jobs 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 into before 15 August 2018.

Projects commenced – Local Jobs First Standard

In 2020–21, SV did not start any Local Jobs First Standard projects.

Projects completed – Local Jobs First Standard

In 2020–21, SV did not complete any Local Jobs First Standard projects.

Social Procurement Framework

SV is fully committed to supporting the Government's directions under the Social Procurement Framework and recognises that we play a key role in advancing social and sustainable outcomes for Victorians..

SV's Social Procurement Strategy enables a strategic, agency-wide approach to delivering social and sustainable outcomes through our procurement in accordance with the framework and beyond.

- › SV's Social Procurement Strategy prioritises the following policy objectives: **Environmentally sustainable business practices**
Outcome sought: adoption of sustainable business practices by suppliers to the Victorian Government.
- › **Sustainable Victorian social enterprises and Aboriginal business sectors**
Outcome sought: purchasing from Victorian social enterprises and Aboriginal businesses
- › **Women's equality and safety**
Outcome sought: gender equality within Victorian government suppliers

These objectives were chosen based on their high degree of alignment with SV's strategic direction and values as well as being best positioned to advance our identified social procurement opportunities.

While these priority social and sustainable objectives guide our procurement delivery, SV is committed to pursuing any opportunities to advance social and sustainable outcomes for Victorians.

This year, SV updated its procurement documentation, which mandates potential suppliers to outline:

- › their Environmental Management System (EMS) policies, practices and targets
- › gender equitable business practices
- › social procurement policy and practices (where applicable).

At a minimum, 10 per cent of the total weighted evaluation criteria is assigned to social value and/or environmentally sustainable business practices.

As represented in the Figure 23 below, (EMS performance of contractors) the measurement of mandatory weighted criteria has resulted in a higher engagement of contractors with well-established environmentally sustainable business practices. Additionally, over 90 per cent of potential suppliers reported implementing recycling policies and procedures in their business in 2020–21, an increase of 10 per cent.

Sustainable Victorian social enterprises and Aboriginal business sectors

SV has commenced tracking expenditure with Victorian social enterprises and Aboriginal business sectors and implemented a mandatory social procurement opportunity assessment as part of all procurement planning. In 2021–22, SV will focus on embedding social procurement from Victorian Aboriginal businesses in its RFX processes.

SV's procurement policy has been updated to mandate all catering be sourced from a social benefit supplier where possible. Venue hire, gifts and stationery are also strongly encouraged to be sourced from social benefit suppliers. Procurements in these categories were reduced in 2020–21 owing to the impact of COVID-19 and predominance of working from home business practices.

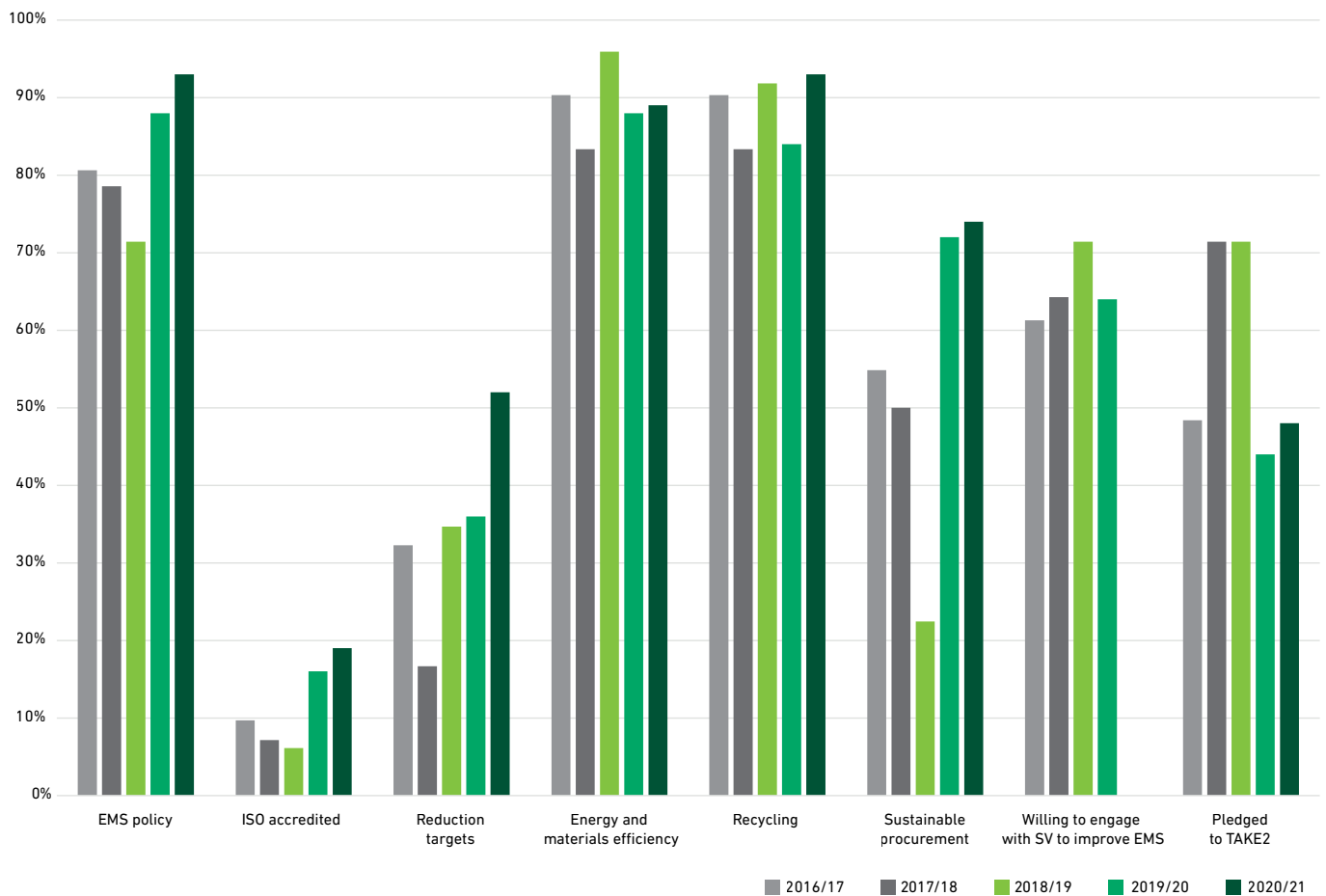


Figure 23 EMS performance of contractors from 2016–17 to 2020–21

Reporting requirements – grants

For grants provided during 2020–21, no interaction reference numbers from Industry Capability Network (Victoria) Ltd were required.

Government advertising expenditure

In 2020–21, SV delivered two government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The 'Know Your Recycling' Campaign is designed to help Victorians get their recycling right while changes to recycling systems are progressively rolled out over the coming years.

Table 15 Government advertising expenditure in 2020–21 on campaigns with a media spend of \$100,000 or greater (excl. GST)

Campaign	Start/end date	Advertising (media) expenditure (\$ thousand)	Creative and campaign development expenditure	Research and evaluation expenditure (\$ thousand)	Print and collateral expenditure	Other campaign expenditure (\$ thousand)	Total (\$ thousand)
Know Your Recycling Campaign Wave 2	23/08/20 to 30/09/20	367	0	45	0	0	412
Know Your Recycling Campaign Wave 3	14/03/21 to 10/04/21	297	0	19	0	70	384

Consultancy expenditure

Details of consultancies under \$10,000

In 2020–21, one consultancy was engaged during the year, where the total fees payable to the individual consultants was less than \$10,000. The total expenditure incurred during 2020–21 in relation to these consultancies was \$1,500 (excl. GST).

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

In 2020–21, there were 15 consultancies costing in excess of \$10,000 at a total cost of \$1,257,514.75 (excl. GST). Table 16 lists details of these individual consultancies. The details of all consultancies are made available on SV's website through the publication of our annual report.

Table 16 Consultancies valued at \$10,000 or greater in 2020–21

Contract ID	Consultant	Title and description	Start date	End date	Total fees (excl. GST)	Expenditure 2020–21 (excl. GST)	Future expenditure (excl. GST)
C-11781	Envisage Works	Undertake Australian Plastics Recycling Survey 2019–20	19/10/2020	29/01/2021	\$12,000.00	\$12,000.00	nil
C-11823	Best Environments	ZNC Design Research - Review and report on ZNC homes.	7/12/2020	30/04/2021	\$33,200.00	\$33,140.00	nil
C-11851	Galaxy 42 Pty Ltd	Provide advice and technical support to implement financial reporting and analytics capability	04/01/2021	13/01/2021	\$35,200.00	\$15,400.00	\$19,800.00
C-11855	Randell Environmental Consulting Pty Ltd	Research Victorian organic materials sector materials	15/01/2021	27/08/2021	\$175,320.00	\$32,520.00	\$142,800.00
C-11871	RMCG	Organics Industry Intervention Strategy	22/02/2021	30/08/2021	\$83,220.00	\$32,408.00	\$50,812.00
C-11883	Rawtec Pty Ltd	Research into circular economy metrics systems	3/03/2021	30/06/2021	\$62,900.00	\$25,160.00	\$12,580.00
C-11887	Brock Baker Consulting	Survey Resource Recovery Centres and Transfer Stations in Victoria survey	10/03/2021	29/06/2021	\$49,760.00	\$7,840.00	\$18,420.00
C-11930	Arcadis	Provide technical advice on infrastructure and financial and economic analysis to RV Infrastructure Fund projects	17/05/2021	31/12/2021	\$110,075.00	nil	\$110,075.00
C-11929	ENEA Australia Pty Ltd	Evaluate Waste to energy Infrastructure Fund projects, and assess program design	19/05/2021	10/09/2021	\$181,320.00	nil	\$181,320.00

Contract ID	Consultant	Title and description	Start date	End date	Total fees (excl. GST)	Expenditure 2020–21 (excl. GST)	Future expenditure (excl. GST)
C-11934	Aurecon Australasia Pty Ltd	Assess solvent end market	19/05/2021	31/08/2021	\$43,400.00	nil	\$43,400.00
C-11916	EY	Review Business Case Advisory Services	21/05/2021	31/08/2021	\$49,000.00	nil	\$49,000.00
C-11954	Brock Baker Consulting	Research cost of contamination across the recycled organics value chain materials	04/06/2021	30/11/2021	\$108,640.00	nil	\$108,640.00
C-11968	RMIT	R&D desktop analysis of priority recycled materials	11/06/2021	7/09/2021	\$12,000.00	nil	\$12,000.00
C-11944	Price Waterhouse Coopers	Provide technical advice on infrastructure and financial and economic analysis to RV Infrastructure Fund Recycling Modernisation Fund projects.	28/06/2021	31/12/2021	\$286,479.75	nil	\$286,479.75
C-12009	First Person Consulting	Desktop analysis research, evaluation and monitoring for the Household Chemical Collection program	28/06/2021	31/08/2021	\$15,000.00	nil	\$15,000.00

ICT expenditure

For the 2020–21 reporting period, SV had a total ICT expenditure of \$2,822,522.45, as shown in Table 17.

Table 17 Information and communication technology expenditure

All operational ICT expenditure	ICT expenditure relating to projects to create or enhance ICT capabilities		
	Non-Business as usual (Non BAU) ICT expenditure Total = Opex and Capex expenditure	Operational (Opex) expenditure	Capital (Capex) expenditure
\$1,753,216.72	\$1,069,335.73	\$1,069,335.73	\$0.00

ICT expenditure refers to SV's costs in providing business enabling ICT services in 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.

SV's IT capability was enhanced in 2020–21 through:

- › development of our Office365 based collaboration and productivity solutions to support our shift to a hybrid workforce model and new ways of working
- › modernisation of the user experience of our Customer Relationship Management platform to help us better serve our stakeholders
- › introduction of desk and meeting room booking solution to support SV's hybrid, flexible working model in the office
- › uplifting our security posture by updating our Protective Data Security Plan and implementing recommendations from the Essential 8 frameworks and the Cyber Hygiene Improvement Program
- › implementation of a new project management platform, which gives SV a user friendly, enterprise project management platform to manage our portfolio of RV projects
- › release of a new external facing SV website to promote better engagement with our stakeholders

Major contracts

A 'major contract' is a contract entered into during the reporting period valued at \$10 million or more.

SV did not award any major contracts during 2020–21.

Freedom of information

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right of access to documents held by SV. The purpose of the FOI 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 FOI 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 SV is available on our website under our Part II Information Statement.

The FOI Act allows SV 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
- › information provided to us in confidence.

From 1 September 2017, the FOI 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 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 FOI 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 61 A of the FOI 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.

Making a request

FOI requests can be lodged online at 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 \$30.10 applies, 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:

Freedom of Information Officer
Sustainability Victoria
Level 12, 321 Exhibition Melbourne Victoria 3000
Telephone (03) 8626 8700
Email FOI@sustainability.vic.gov.au

FOI statistics/timeliness

During 2020–21, SV received one application from a Member of Parliament.

A decision on that application was made to release relevant documents with irrelevant or exempted information removed within the time period permitted under the FOI Act.

SV made one other FOI decision during the 12 months ending 30 June 2021 in respect of an application received in 2019–20, releasing relevant information with irrelevant or exempted information removed.

Both decisions were made within an agreed extended time period permitted under the FOI Act. The average time taken to finalise requests in 2020–21 was 44 days.

During 2020–21, 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 FOI Act, regulations made under the FOI Act and ovic.vic.gov.au

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by SV and are available on request, subject to the provisions of the FOI 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).

Building Act Compliance

Nil disclosure.

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

Competitive Neutrality Policy Victoria

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

SV complies with the Competitive Neutrality Policy in respect of its significant business activities and SV 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.

Public Interest Disclosures Compliance

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

SV do not tolerate improper employee conduct, nor the taking of reprisals against those who come forward to disclose such conduct. SV 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.

SV will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. SV 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

Website: 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 Public Interest 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 sustainability.vic.gov.au

Compliance with the Carers Recognition Act 2012

SV is taking all practical measures to comply with its obligations under the Act, including ensuring staff awareness and understanding of the care relationship principles and considering those when reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.

Compliance with the Disability Act 2006

The Disability Act 2006 reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community. SV is taking all practical measures to comply with its obligations under the Act. This includes reducing barriers to accessibility of our publications, services and facilities, obtaining and maintaining employment, promoting inclusion and participation and achieving tangible changes in attitudes and practices that discriminate against people with a disability.

We also hosted an all-staff session for International Day of Disability on 1 December 2020 with Rebecca Adam, President of the International Committee of Sports for the Deaf, our guest speaker together with her AUSLAN interpreter Paul Heuston.

Office-based environmental impacts

SV's environmental impacts are reported in Appendix 3.

Compliance with DataVic Access Policy

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

- › Victorian Local Government Annual Materials Service Report 2017–18
(previously known as the Victorian Local Government Annual Survey)
- › Victorian Local Government Materials Services Report Excel Workbook 2017–18
- › Victorian Recycling Industry Annual Report 2017–18
(previously known as the Victorian Recycling Industry Annual Survey)
- › Victorian Recycling Industry Materials Services Excel Workbook 2017–18
- › 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 Materials Service Report 2015–16 (census of all 79 Victorian Local Governments)
- › Victorian Local Government Annual Materials Service Workbook 2016–17 (census of all 79 Victorian Local Governments)
- › Victorian Recycling Industry Materials 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 Materials and Recycling Services Survey
- › Solar Report 2009 Green Light Report - Environmental Attitudes Survey
- › Byteback Drop-Off Points
- › ResourceSmart Retailers
- › Detox Your Home Disposal Points

Privacy and Data Protection Act

SV 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 sustainability.vic.gov.au, call (03) 8626 8700 or email privacy@sustainability.vic.gov.au.

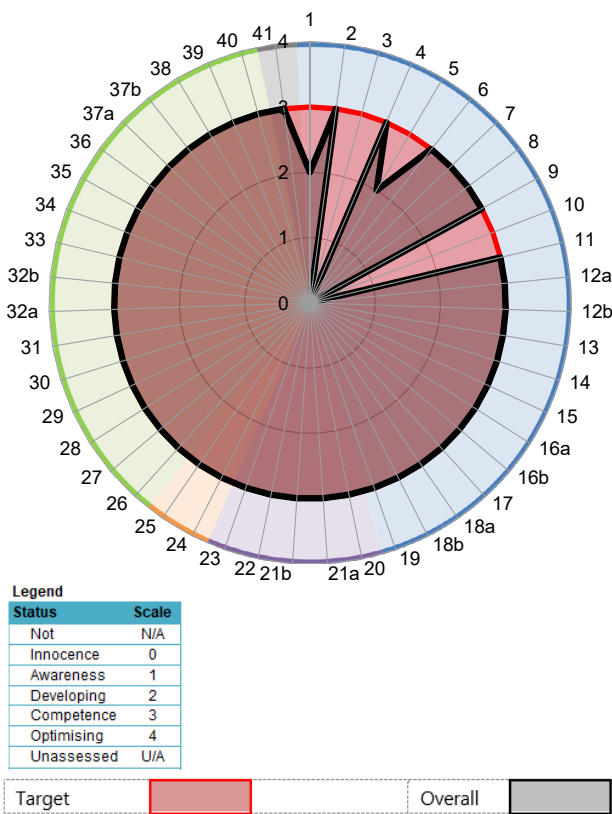
SV received one privacy enquiry in 2020–21 asking that SV remove all personal information being held in respect of the individual. This request was promptly actioned.

Asset Management Accountability Framework maturity assessment

The following sections summarise SV's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

SV does not own or operate a substantial asset base, and none are assets for public use, being principally acquired to support our own operations.

SV's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



AMAF Maturity Assessment

Leadership & Accountability

SV has met most of its objectives in this area.

In relation to a one-off construction project elements of the initial tender design were not compliant with the requirements of the Directions for Public Construction Procurement. A plan is in place to ensure that in the rare circumstances when SV commits to public construction, that compliance can be assured.

Asset Planning

SV has met its objectives in this area.

Asset Acquisition

SV has met its objectives in this area.

Asset Operation

SV has met its objectives in this area.

Asset Disposal

SV has met its objectives in this area.

Annual Financial Statements

For the year ended 30th June 2021

How this report is structured

SV has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about SV's stewardship of resources entrusted to it:

Financial statements	Comprehensive operating statement Balance sheet Cash flow statement Statement of changes in equity	
Notes to the financial statements	1. About this report The basis on which the financial statements have been prepared and compliance with reporting regulations. 2. Funding delivery of our services Income and Revenue recognised from taxes, grants, sales of goods and services and other sources 2.1 Summary of income that funds the delivery of our services 2.2 Government Grants 2.3 Income from other transactions 3. The cost of delivering services Operating expenses 3.1 Expenses incurred in delivery of services 3.2 Grant expenses 3.3 Other operating expenses 4. Key assets available to support output delivery Land, property, investment properties, biological assets, intangible assets, investments accounted for using the equity method, investments and other financial assets, and acquisition and disposal of entities 4.1 Total property, plant and equipment 4.2 Intangible assets 4.3 Investments and other financial assets 5. Other assets and liabilities Working capital balances, and other key assets and liabilities 5.1 Receivables and contract assets 5.2 Payables and contract liabilities 5.3 Other provisions	6. Financing our operations Borrowings, cash flow information, leases and assets pledged as security 6.1 Borrowings 6.2 Leases 6.3 Cash flow information and balances 6.4 Commitments for expenditure 7. Risks, contingencies and valuation judgements Financial risk management, contingent assets and liabilities as well as fair value determination 7.1 Financial instruments specific disclosures 7.2 Contingent assets and contingent liabilities 7.3 Fair value determination 8. Other disclosures 8.1 Ex gratia expenses 8.2 Responsible persons 8.3 Remuneration of executives 8.4 Related parties 8.5 Remuneration of auditors 8.6 Subsequent events 8.7 Change in accounting estimates 8.8 Australian Accounting Standards issued that are not yet effective 8.9 Glossary of technical terms 8.10 Style conventions

Sustainability Victoria

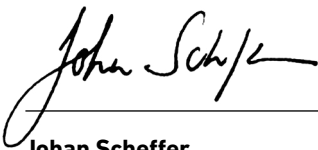
The attached financial statements for Sustainability Victoria (SV) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, 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 2021 and the financial position of SV as at 30 June 2021.

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 SV has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and processes. SV's Audit, Risk and Finance Committee verifies this.

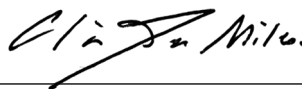
We authorise the attached financial statements for issue on 28 Oct 2021.



Johan Scheffer

Sustainability Victoria
Chairperson

Melbourne
28 Oct 2021



Claire Ferres Miles

Sustainability Victoria
Chief Executive Officer

Melbourne
28 Oct 2021



Nigel Haskins

Sustainability Victoria
Chief Financial Officer

Melbourne
28 Oct 2021

Sustainability Victoria

Independent Auditors Report



Independent Auditor's Report

To the Board of Sustainability Victoria

Opinion	I have audited the financial report of Sustainability Victoria (the authority) which comprises the: • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration. In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2021 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.
Basis for Opinion	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. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <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. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

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

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

MELBOURNE
3 November 2021



Paul Martin
as delegate for the Auditor-General of Victoria

Sustainability Victoria

Comprehensive Operating Statement ^(a)

For the financial year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Income from transactions			
Landfill levy	2.1	19,152	19,105
Government grants	2.1	28,796	28,797
Other income from government	2.1	171	182
Interest	2.1	127	516
Other income	2.1	3,617	3,278
Total income from transactions		51,863	51,877
Expenses from transactions (b)			
Grant expenses	3.1	8,345	11,685
Contractors & Consultants	3.1	9,967	15,360
Employee benefits	3.1	20,209	18,538
Depreciation and Amortisation	4.1.1	1,495	1,682
IT & Telecommunications	3.1	2,822	2,006
Interest Expense	6.1	6	34
Other Operating Expenses	3.1	4,273	8,811
Total expenses from transactions		47,117	58,116
Net result from transactions (net operating balance)		4,746	(6,238)
Other economic flows included in net result			
Net Gain / (loss) on non financial assets (c)		(122)	36
Net Gain / (loss) from other economic flows (d)		22	(21)
Total other economic flows included in net result		(100)	15
Net result		4,646	(6,223)
Comprehensive result		4,646	(6,223)

The accompanying notes form part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

(b) Expenses from transactions have been reclassified based on expense nature. More information and reconciliation can be found at note 3.1

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

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

Sustainability Victoria

Balance Sheet ^(a)

As at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Assets			
Financial assets			
Cash & deposits	6.3	70,633	42,977
Receivables	5.1	21,351	6,626
Investments and other financial assets	4.3	400	400
Total financial assets		92,384	50,002
Non-financial assets			
Property, plant & equipment	4.1	448	1,812
Prepayments		1,055	555
Intangibles	4.2	10	245
Total non-financial assets		1,513	2,612
Total assets		93,897	52,614
Liabilities			
Payables and Contract Liabilities	5.2	(66,795)	(29,316)
Borrowings	6.1	(250)	(1,505)
Employee related provisions	3.1.2	(3,113)	(2,700)
Other provisions	5.3	(6)	(6)
Total liabilities		(70,164)	(33,527)
Net assets		23,733	19,087
Equity			
Accumulated surplus / (deficit)		(2,263)	(6,909)
Contributed capital		25,996	25,996
Total equity		23,733	19,087

The accompanying notes form part of these financial statements.

Note:

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

Sustainability Victoria

Cash Flow Statement ^(a)

For the financial year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts			
Receipts from government grants		51,446	42,392
Receipts from government - other		228	182
Receipts from landfill levy		19,140	19,101
Other receipts		3,485	4,003
Interest received		128	519
Goods and Services Tax recovered from the ATO (b)		1,907	4,460
Total Receipts		76,334	70,658
Payments			
Payments to grant recipients		(6,811)	(42,096)
Payments to suppliers and employees		(40,588)	(49,307)
Interest and other costs of finance paid		(6)	(34)
Total Payments		(47,405)	(91,436)
Net cash flows from / (used in) operating activities	6.3.1	28,929	(20,779)
Cash flows from investing activities			
Payments for property, plant and equipment (PPE)		(18)	(128)
Proceeds from disposal of PPE, other		-	36
Net cash flows from / (used in) investing activities		(18)	(92)
Cash flows from financing activities			
Payment of capital contribution - Machinery of Government (c)		-	53
Repayment of leases		(1,255)	(1,081)
Net cash flows from / (used in) financing activities		(1,255)	(1,028)
Net increase in cash & cash equivalents		27,656	(21,899)
Cash & cash equivalents at the beginning of the financial year		42,977	64,876
Cash & cash equivalents at the end of the financial year	6.3	70,633	42,977

The accompanying notes form part of these financial statements

Notes:

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

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

(c) Transfer of Solar Victoria to DELWP

Sustainability Victoria

Statement of Changes in Equity ^(a)

For the financial year ended 30 June 2021

	Accumulated Surplus/ (Deficit) \$'000	Contributions by Owner \$'000	Total \$'000
Balance at 01 July 2019	22,217	26,049	48,266
Adjustment for AASB 15	(22,903)	-	(22,903)
Restated Balance at 01 July 2019	(686)	26,049	25,363
Payment of capital contribution - MOG	-	(53)	(53)
Net result for the year	(6,223)	-	(6,223)
Restated Balance at 30 June 2020	(6,909)	25,996	19,087
Balance at 01 July 2020	(6,909)	25,996	19,087
Net Surplus/ (Deficit) for the year	4,646	-	4,646
Balance at 30 June 2021	(2,263)	25,996	23,733

The accompanying notes form part of these financial statements.

Notes:

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*

(b) Transfer of Solar Victoria to DELWP. This balance has been reclassified as a Contribution by Owners amount for 2020 as required by FRD119A

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).

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.

Its principal address is:

Levels 12 & 13
321 Exhibition Street
Melbourne VIC 3000

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:

	Refer Note:
- the fair value of plant and equipment	4.1
- superannuation expense;	3.1.3
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of claims, future salary movements and future discount rates;	3.1.2
- the timing and satisfaction of performance obligations;	2.2
- determining transaction price and amounts allocated to performance obligations;	2.2
- for leases, determining whether the arrangement is in substance a short-term arrangement and estimating discount rate when not implicit in the lease;	6.2
- the impacts of COVID-19 on the financial report and going concern (refer below).	

No new accounting standards were adopted in 2021.

Revisions have been made to estimates of the timing and satisfaction of performance obligations originally made on adoption of AASB 15 in the year ended 30 June 2021. As required under this policy, these changes are reflected in these accounts and will be applied in future years. Further information on the treatment of revenue under AASB15 and AASB 1058 can be found in Note 2.2.

The financial statements include all the controlled activities of SV.

The presentation of the Operating Statement has been changed this year to classify expenditure by nature of the spend, which management considers aids in the understanding of the company's performance by comparison with earlier periods and is less subject to variation in the nature of the portfolio of projects that SV has underway from time to time. Amounts have been reclassified to align with the new treatment.

Since 31 December 2019 the spread of a highly infectious disease, COVID-19, has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide. Governments and central banks continue to respond with monetary and fiscal interventions to stabilise economic conditions.

Management has considered the impacts of COVID-19 on the judgements and assumptions applied to accounting policies, and estimates that may result in a decline of the carrying amounts for assets and liabilities. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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 overall 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.

Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Government Grants
- 2.3 Income from other transactions

Significant judgement: Grants revenue

SV has made judgements on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the SV satisfies the performance obligation determined on analysis of the contract. For more detail refer to notes 2.1 and 2.2

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

	Notes	2021 \$'000	2020 \$'000
Landfill Levy		19,152	19,105
Government grants	2.2	28,796	28,797
Interest		127	516
Other income	2.3	3,788	3,460
Total Income from transactions		51,863	51,877

The landfill levy is amounts received by SV from the Department of Environment, Land, Water and Planning (DELWP) under the Environment Protection (Distribution of Landfill Levy) Regulations 2021. Landfill levies are recognised as income under AASB 1058 as non-contractual income arising from statutory requirements. Landfill levy revenue is recorded in the period which SV becomes party to the contractual provisions of the payments, therefore revenue is accrued in advance during the relevant quarter while cash payment is received in the following quarter.

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

	2021 \$'000	2020 \$'000
Sustainability Fund grants to Sustainability Victoria	27,552	27,361
Government initiatives funding	1,244	1,437
Total Revenue from transactions	28,796	28,797
Recognised at a point in time	8,345	11,685
Recognised over time	20,451	17,112
Total Revenue from transactions	28,796	28,797

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when SV has an unconditional right to receive cash which usually coincides with receipt.

Income from grants received under enforceable contracts containing sufficiently specific performance obligations is accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

Grant income is overwhelmingly supplied in instalments in advance of planned expenditure and is carried as a contract liability until revenue is recognised.

SV provides a range of project and professional services to its customers, primarily other Government agencies and departments. These services include, among others:

- › stakeholder engagement and consultation,
- › project design, management and delivery,
- › grant programme design and delivery,
- › social research design, execution and evaluation,
- › education, professional development, and campaigns for behaviour change.

Projects for which SV is funded are complex with multiple, co-dependent outcomes that are not readily separable or individually valued and are consequently treated as a single performance obligation.

Underlying contracts are in all material respects of the same form and impose consistent obligations to account for and report progress, revenue and expenditure and the treatment adopted applies to the portfolio of contracts as a whole.

SV has determined that contracts are 'fixed price' and that program progress is best determined using the 'input' method, measured by reference to the expenditure in the period. Revenue is recognised at a point in time in accordance with measured progress at reporting milestone dates.

Grants payable are recognised at the time of disbursement to the grantee.

Program management costs are partially funded by programs, comprise a small proportion of the total expenditure under any contract, and are not disaggregated for the purposes of revenue recognition.

Note 2.3 Income from other transactions

	2021 \$'000	2020 \$'000
Sales of Services incl FirstRate5 Certificates and Accreditation	3,391	2,780
Other income	226	498
Other income from government - Secondment fees	171	182
Total Income from other transactions	3,788	3,460

Other income included in the table above is classified as revenue from contracts with customers in accordance with AASB 15 and AASB 1058 when sufficiently specific performance obligations are not present (such as sponsorships).

Revenue for FirstRate5 Certificates and Accreditation fees is recognised when the customer receives the right to the certificate, which is upon payment.

Other income includes minor program contributions, proceeds on sale of assets, sponsorship and ticket sales which are recognised upon receipt.

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
- 3.2 Grant expenses
- 3.3 Other operating expenses

Note 3.1 Expenses incurred in delivery of services

	Notes	2021 \$'000	2020 \$'000	2020 Before reclassification \$'000	Variance \$'000
Grant and Program Expenses		-	-	28,536	(28,536)
Employee benefits expense	3.1.1	20,209	18,538	18,538	-
Grant expenses (a)	3.2	8,345	11,685	-	11,685
Contractors & Consultants (a), (b)		9,967	15,360	-	15,360
IT & Telecommunications		2,822	2,005	2,803	(797)
Other operating expenses (a)	3.3	4,273	8,811	6,036	2,775
Occupancy		-	-	486	(486)
Total expenses incurred in delivery of services		45,616	56,399	56,399	-

Notes:

(a) 2020 comparative figures have been reclassified to reflect updated expense classifications in 2020-21 financial year, since the previous categorisation does not adequately reflect the ongoing nature of SV's portfolio.

(b) In line with FRD 22H, Consultants provide advice while Contractors are engaged to support program delivery.

Note 3.1.1 Employee benefits in the comprehensive operating statement

	2021 \$'000	2020 \$'000
Salaries and wages, annual leave and long service leave	18,603	17,075
Defined contribution superannuation expense	1,605	1,463
Total employee expenses	20,209	18,538

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.

	2021 \$'000	2020 \$'000
Current provisions		
Annual Leave		
Unconditional and expected to settle within 12 months	824	656
Unconditional and expected to settle after 12 months	434	324
Long Service Leave		
Unconditional and expected to settle within 12 months	740	769
Unconditional and expected to settle after 12 months	208	257
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	228	207
Unconditional and expected to settle after 12 months	94	84
Total current provisions for employee benefits	2,528	2,297
Non-current provisions		
Employee Benefits – Long Service Leave	510	352
On-costs	75	51
Total non-current provisions for employee benefits	585	403
Total provisions for employee benefits	3,113	2,700

Reconciliation of Movement in on-cost provision

	2021 \$'000	2020 \$'000
Opening Balance	343	348
Additional provisions recognised	222	147
Reductions arising from payments/other sacrifices of future economic benefit	(167)	(152)
Closing Balance	398	343
Current	323	291
Non-current	75	51

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 is 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 SV expects to wholly settle within 12 months; or
- present value – if SV 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.

	Contributions paid in the year		Contributions unpaid at 30 June	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Defined Contribution plans				
VicSuper	485	455	8	12
Other	1,120	1,002	23	27
Total	1,605	1,457	31	39

Note 3.2 Grant expenses

	2021 \$'000	2020 \$'000
Grant Expenses		
Behaviour Change and Education	83	125
Community Action	3	135
Delivery Partners	16	2,284
Investment and Innovation	8,243	11,817
Solar Victoria	-	(2,675)
Total Grant Expenses	8,345	11,685

Grants that form part of program expenditure are recognised based on 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 were taken up as an expense in the reporting period in which they were incurred of which there were significant rebates accrued in 2018-19 which were subsequently cancelled in 2019-20.

SV continued to deliver grants to recipients during the COVID-19 pandemic.

Note 3.3 Other operating expenses

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 it is incurred.

	2021 \$'000	2020 \$'000
Other operating expenses	2,370	2,683
Royalty Payments	981	790
Advertising Expenses	821	1,042
Internal Audit	101	200
Unspent Funds Returned	-	4,096
Total other operating expenses	4,273	8,811

Other operating expenses include minor incidentals such as low cost assets, repairs and maintenance, office consumables and minor staff expenses.

Royalty payments for use of intellectual property are recognised as an expense in the reporting period in which they are incurred.

Unspent funds returned in 2020 includes \$4,000,000 funds returned to DELWP from the Solar Homes Rebate program which were unable to be delivered during Phase 1 of the program.

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.

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

Structure

- 4.1 Total Property, plant and equipment
- 4.2 Intangible assets
- 4.3 Investments and other financial assets.

Note 4.1 Total Property, plant and equipment

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Office furniture and equipment	567	567	(485)	(453)	82	114
Computer equipment	1,076	1,057	(979)	(868)	97	190
Motor vehicles (leased right-of-use asset)	149	149	(102)	(69)	46	80
Buildings at fair value (leased right-of-use asset)	2,570	2,571	(2,370)	(1,185)	201	1,386
Leasehold improvements	49	49	(27)	(9)	22	40
Make-good provision	6	6	(6)	(4)	-	2
Total Property Plant & Equipment	4,417	4,398	(3,969)	(2,587)	448	1,812

Initial recognition: Items of plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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 who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Right-of-use asset acquired by lessees – Initial measurement

SV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- › any lease payments made at or before the commencement date less any lease incentive received; plus
- › any initial direct costs incurred; and
- › an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset – Subsequent measurement

SV depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Note 4.1.1 Depreciation and amortisation

	2021 \$'000	2020 \$'000
Charge for the Period		
Office furniture and equipment	32	29
Computer equipment	111	138
Motor vehicles (right-of-use asset)	34	30
Buildings at fair value (right-of-use asset)	1,185	1,185
Leasehold Buildings	18	12
Make-good provision (amortisation)	2	2
Intangible assets (amortisation)	113	287
Total depreciation & amortisation	1,495	1,682

Depreciation of right-of-use assets as per AASB 16 *Leases*.

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:

	Useful Life (Years)
Office furniture and equipment	5 to 10 years
Computer equipment	3 to 4 years
Buildings at fair value	Over the lease term
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

	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Transfers \$'000	Depreciation \$'000	Closing Balance \$'000
2021						
Office Furniture & Equipment	114	-	-	-	(32)	82
Computer Equipment	190	18	-	-	(111)	97
Motor Vehices (Leased)	80	-	-	-	(34)	46
Buildings (Leased)	1,386	-	-	-	(1,185)	201
Leasehold Improvements	40	-	-	-	(18)	22
Make Good Provision	2	-	-	-	(2)	-
Total	1,812	18	-	-	(1,382)	448
2020						
Office Furniture & Equipment	185	37	-	(29)	(79)	114
Computer Equipment	512	66	(2)	(138)	(248)	190
Motor Vehices (Leased)	131	49	(50)	(30)	(21)	80
Buildings (Leased)	2,571	-	-	(1,185)	-	1,386
Leasehold Improvements	27	25	-	(12)	-	40
Make Good Provision	4	-	-	(2)	-	2
Total	3,429	177	(52)	(1,396)	(347)	1,812

Note 4.2 Intangible assets

	2021 \$'000	2020 \$'000
Gross Carrying Amount		
Opening balance	1,434	1,434
Disposals	(193)	-
Closing Balance	1,241	1,434
Accumulated depreciation & amortisation		
Opening balance	(1,189)	(902)
Amortisation expense	(113)	(287)
Disposals	71	-
Closing Balance	(1,231)	(1,189)
Net book value at end of financial year	10	245

Amortisation expense is included in the line item 'Depreciation and amortisation' in the comprehensive operating statement.

Disposals are included in the line item 'net gain/(loss) on non-financial assets' in the comprehensive operating statement.

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* are 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 begin 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 life 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 \$10,021 (2020 \$244,804). Its useful life is five years and will be fully amortised in 2022.

Make-good asset: refer note 5.3

Note 4.3 Investments and other financial assets

	Notes	2021 \$'000	2020 \$'000
Non-current investments and other financial assets			
Investment – social enterprise projects		-	20
Loans receivable – social enterprise projects		400	379
Total non-current investments and other financial assets		400	400
Total investments and other financial assets		400	400
Ageing analysis of financial assets			
Managed Fund	Not Past Due and Not Impaired	400	400

Note 5 Other Assets and Liabilities

Introduction

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

Structure

- 5.1 Receivables and contract assets
- 5.2 Payables and contract liabilities
- 5.3 Other Provisions

Note 5.1 Receivables and contract assets

	2021 \$'000	2020 \$'000
Contractual		
Trade debtors	15,802	102
Contract Assets	88	1,340
Other receivables	7	27
Total Contractual	15,897	1,469
Statutory		
Landfill Levy receivable	4,788	4,776
GST Receivable	666	381
Total Statutory	5,454	5,157
Total Receivables	21,351	6,626
Represented by: Current receivables	21,351	6,626

Trade debtors includes the Department of Environment, Land, Water and Planning for government priority programs, and were due to SV as per the signed contract.

Landfill Levy receivable includes the April – June 2021 quarter monies due for Landfill Levy, received in July 2021.

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. Contract assets represents revenue from contracts with customers where the funding is yet to be received.

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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Sustainability Fund as the commitments fall due.

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.

Doubtful Debts: Receivables are assessed for bad and doubtful debts on a regular basis. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 9 *Financial Instruments*.

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.

Note 5.1.1 Ageing analysis of contractual receivables

	2021 \$'000	2020 \$'000
Carrying Amount	15,897	1,469
Ageing:		
Not past due and not impaired	15,897	1,469

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 to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

Note 5.2 Payables and Contract Liabilities

	2021 \$'000	2020 \$'000
Contractual		
Trade creditors	2,391	-
Accrued project grants	-	2,175
Accrued expenses	938	384
Contract liabilities	63,305	26,651
Total Contractual	66,634	29,210
Statutory		
GST payable	46	37
Payroll Tax Payable	105	49
FBT payable	10	21
Total Statutory	161	106
Total Payables	66,795	29,316
Represented by:		
Current payables	66,795	29,316

In 2020, SV's final payment run for trade creditors was prior to the end of year and all outstanding invoices were paid. Invoices received in the final days of June were accrued and are disclosed as accrued project grants or accrued expenses.

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. Contract liabilities represents funds received which are yet to be recognised as revenue from contracts with customers where sufficiently specific obligations exist.

Reconciliation of Contract Liabilities

	2021 \$'000	2020 \$'000
Contract Liability at beginning of financial year	26,651	22,903
Add: Consideration received in the year	65,450	26,774
Less: Revenue recognised for the completion of performance obligations	(28,796)	(23,026)
Contract Liability as at 30 June	63,305	26,651

Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

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

Maturity analysis of contractual payables

The carrying amounts disclosed exclude statutory amounts (e.g. GST payables) and contract liabilities. Maturity analysis is presented using the contractual undiscounted cash flows.

	Past due but not impaired				
	Carrying Amount \$'000	Nominal Amount \$'000	≤ 1 month \$'000	>1 but ≤ 3 months \$'000	>3 but ≤ 12 months \$'000
2021					
Trade creditors	2,391	2,391	2,391	-	-
Accrued project grants	-	-	-	-	-
Accrued expenses	938	938	87	850	-
Total	3,329	3,329	2,478	850	-
2020					
Trade creditors	-	-	-	-	-
Accrued project grants	2,175	2,175	2,175	-	-
Accrued expenses	384	384	384	-	-
Total	2,559	2,559	2,559	-	-

Maturity analysis is presented using the contractual undiscounted cash flows.

Note 5.3 Other provisions

	2021 \$'000	2020 \$'000
Non-current provisions		
Make-good provision	6	6
Total non-current provisions	6	6
Total other provisions	6	6

Other provisions are recognised when SV has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

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 office and restore the premises to its original condition at the end of the lease term.

Note 6 Financing Our Operations

Introduction

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

Structure

- 6.1 Borrowings
- 6.2 Leases
- 6.3 Cash flow information and balances
- 6.4 Commitments for expenditure

6.1 Borrowings

	2021 \$'000	2020 \$'000
Current borrowings		
Lease liabilities Motor Vehicles	30	61
Lease liabilities Buildings	205	1,220
Total current	236	1,280
Non-current borrowings		
Lease liabilities Motor Vehicles	14	19
Lease liabilities Buildings	-	205
Total non-current	14	224
Total Borrowings	250	1,505

Current borrowings are all related to leases and are secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to interest-bearing liabilities. SVs borrowings listed above are made up of liabilities recognised in applying AASB 16 *Leases* to the office rental building and motor vehicle leases.

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

			Past due but not impaired			
	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 Years \$'000
2021						
Lease Liabilities	250	250	105	110	20	15
Total	250	250	105	110	20	15
2020						
Lease Liabilities	1,505	1,505	107	213	960	224
Total	1,505	1,505	107	213	960	224

Interest expense

	2021 \$'000	2020 \$'000
Interest on leases	6	34
Total interest expense	6	34

Interest expense includes costs incurred in connection with the interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

Note 6.2 Leases

SV leases office space located at The Urban Workshop, Level 28, 50 Lonsdale Street, Melbourne, Victoria. The lease terms are 15 years (lease expires 31 August 2021). This lease was brought onto the balance sheet in 2019-20 as a result of implementation of AASB 16 *Leases*.

Other leases entered into by SV relate to motor vehicles through VicFleet with lease terms of 3 years. SV has options to purchase the vehicles at the conclusion of the lease agreements. The motor vehicle leases were accounted for in the balance sheet as finance leases prior to 2019-20.

6.2.1 Right-of-use Assets

Right-of-use assets are presented in note 4.1

6.2.2 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2021 \$'000	2020 \$'000
Interest on lease liabilities	6	34
Total amount recognised in the Comprehensive Operating Statement	6	34

6.2.3 Amounts recognised in the Cashflow Statement

	2021 \$'000	2020 \$'000
Cash payments for interest	6	34
Cash payments for lease principal	1,255	1,081
Total cash outflow for leases	1,261	1,115

Cash payments for the interest portion of lease payments are recognised as operating activities consistent with the presentation of interest payments and cash payments for the principal portion of lease payments are recognised as financing activities.

For any new contracts entered into on or after 1 July 2019, SV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition SV assesses whether the contract meets three key evaluations:

- ▶ Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to SV and for which the supplier does not have substantive substitution rights
- ▶ Whether SV has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and SV has the right to direct the use of the identified asset throughout the period of use; and
- ▶ Whether SV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components: At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or SVs incremental borrowing rate.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

AASB 16 provides a practical expedient for short-term leases and leases of low value assets. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these can be recognised as an expense in profit or loss on a straight-line basis over the lease term. SV has not identified any short-term leases or leases of low value assets.

Leases not yet commenced

SV has entered into a lease commencing 1 October 2021 for new premises at 321 Exhibition Street, Melbourne, VIC, 3000. See Note 8.6 for further details.

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 insignificant risk of changes in value.

	Notes	2021 \$'000	2020 \$'000
Cash at bank		70,633	42,977
Cash on hand		-	1
Balance as per cash flow statement		70,633	42,977

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

	Notes	2021 \$'000	2020 \$'000
Net result for the financial year		4,646	(6,223)
Non-cash movements:			
Depreciation		1,495	1,682
(Gain) / Loss on disposal of assets		122	(36)
Movements in assets and liabilities:			
Increase / (Decrease) in employee related provisions		413	204
Increase / (Decrease) in payables		37,469	(26,623)
(Increase) / Decrease in prepayments		(500)	182
(Increase) / Decrease in receivables		(14,716)	10,036
Net cash flows from/ (used in) operating activities		28,929	(20,779)

Note 6.4 Commitments for expenditure

	Less than 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	Total \$'000
2021				
Operating and lease commitments	2,730	11,909	6,598	21,237
Other Commitments - contracts				
- Tied funding	22,894	2,883	-	25,778
- Other funding	9,682	5,380	277	15,338
Total commitments (inclusive of GST)	35,306	20,172	6,875	62,353
Less GST recoverable	(3,210)	(1,834)	(625)	(5,668)
Total commitments (exclusive of GST)	32,097	18,338	6,250	56,685
2020				
Other Commitments - contracts				
- Tied funding	15,967	6,767	-	22,734
- Other funding	2,993	3,883	-	6,876
Total commitments (inclusive of GST)	18,960	10,650	-	29,610
Less GST recoverable	(1,724)	(968)	-	(2,692)
Total commitments (exclusive of GST)	17,236	9,682	-	26,918

Operating and lease commitments entered by SV as at the reporting date (leases at 30 June 2021) but not included in the Balance Sheet pertain to 2021-22 building lease commencing 1 October 2021. See Note 8.6.

Other commitments entered by SV as at the reporting date (contracts at 30 June 2021) but not included in the Balance Sheet and are carried forward into the 2021-22 financial year and beyond).

Note 7 Other Assets and Liabilities

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 instrument 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

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

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 (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 9 *Financial Instruments*.

Guarantees issued on behalf of SV are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost 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 interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest 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

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).

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated, 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 lease liabilities).
- › 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
- › 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.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Impairment of financial assets

SV records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Financial assets subject to AASB 9 impairment assessment include SV's contractual receivables, statutory receivables and its investment in debt instruments.

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.

Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 5.1.1) are also subject to impairment; management considers that any impairment is not material.

Reclassification of financial instruments

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when SV's business model for managing its financial assets has changed such that its previous model would no longer apply. SV is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the PMF under the Standing Directions 2018 under the FMA.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

Note 7.1.1 Financial instruments: Categorisation

	Cash & Deposits \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
2021				
Contractual financial assets				
Cash and deposits	70,633	-	-	70,633
Receivables	-	15,897	-	15,897
Investments	-	400	-	400
Total contractual financial assets	70,633	16,297	-	86,930
Contractual financial liabilities				
Payables (a)	-	-	3,329	3,329
Lease liabilities	-	-	249	249
Total contractual financial liabilities	-	-	3,578	3,578
2020				
Contractual financial assets				
Cash and deposits	42,977	-	-	42,977
Receivables (a)	-	1,469	-	1,469
Investments	-	400	-	400
Total contractual financial assets	42,977	1,868	-	44,846
Contractual financial liabilities				
Payables (a)	-	-	2,559	2,559
Lease liabilities	-	-	1,505	1,505
Total contractual financial liabilities	-	-	4,064	4,064

Notes:

(a) 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 within 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 2020-21.

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

	Financial Institutions (AAA rating) \$'000	Government agencies (AAA rating) \$'000	Other (min BBB rating) \$'000	Total \$'000
2021				
Cash and deposits	70,633	-	-	70,633
Receivables	-	15,680	217	15,897
Investments	400	-	-	400
Total contractual financial assets	71,033	15,680	217	86,930
2020				
Cash and deposits	42,977	-	1	42,977
Receivables	-	1,442	27	1,469
Investments	400	-	-	400
Total contractual financial assets	43,376	1,442	27	44,846

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

Impairment of financial assets

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 estimated to be 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 (2020: 50 basis points up and down) in market interest rates (AUD) from year-end rates of 0.25 per cent (2020: 0.5 per cent)

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.

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.

	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
			Fixed Rate \$'000	Variable Rate \$'000	Not interest- bearing \$'000
2021					
Cash and deposits	0.30%	70,633	-	70,633	-
Receivables		15,897	-	-	15,897
Investments		400	-	-	400
Total financial assets		86,930	-	70,633	16,297
Payables		3,329	-	-	3,329
Lease liabilities	2.19%	250	250	-	-
Total financial liabilities		3,579	250	-	3,329

	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
			Fixed Rate \$'000	Variable Rate \$'000	Not interest- bearing \$'000
2020					
Cash and deposits	1.05%	42,977	-	42,977	1
Receivables		1,469	-	-	1,469
Investments		400	-	-	400
Total financial assets		44,846	-	42,977	1,869
Payables		2,559	-	-	2,559
Lease liabilities	2.32%	1,505	1,505	-	-
Total financial liabilities		4,064	1,505	-	2,559

The total payables disclosed here exclude statutory amounts (e.g. amounts owing to Victorian government and GST sales tax payable).

Interest rate risk sensitivity

	Interest rate risk				
	Carrying amount	-50 basis points	Equity	+50 basis points	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Contractual financial assets					
Cash and deposits	70,633	(353)	(353)	353	353
Investments	400	(2)	(2)	2	2
Total Impact	71,033	(355)	(355)	355	355
Contractual financial liabilities					
Lease liabilities	250	(1)	(1)	1	1
Total Impact	250	(1)	(1)	1	1
2020					
Contractual financial assets					
Cash and deposits	42,977	(215)	(215)	215	215
Investments	400	(2)	(2)	2	2
Total Impact	43,377	(217)	(217)	217	217
Contractual financial liabilities					
Lease liabilities	1,505	(8)	(8)	8	8
Total Impact	1,505	(8)	(8)	8	8

Cash and deposits include a deposit of \$71,282,213 (2020: \$44,881,697) that is exposed to floating rate movements. Sensitivities to these movements are calculated as follows: 2021 $\$71,282,213 \times 0.005 = \$356,411$ and 2020: $\$44,881,697 \times 0.005 = \$244,408$

Foreign currency risk

SV is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. SV is not exposed to any material foreign currency risk. Based on past and current assessment of economic outlook, management does not consider that it is necessary for SV to enter into any hedging arrangements to manage the 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 (2020: \$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.

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

SV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021-22 reporting period.

These financial instruments include:

Financial Assets	Financial liabilities
Cash and deposits	Payables
Receivables:	Borrowings:
› Amounts owing from Government	› Lease liabilities
› Accrued investment income	
› Other receivables	
› Investments	

There is no difference in the fair value of SV's financial instruments to the carrying amounts for 2021 or 2020.

7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy

	Carrying amount at 30 June \$'000	Fair value measurement at 30 June using:		
		Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
2021				
Office furniture and equipment	82	-	-	82
Computer equipment	97	-	-	97
Motor Vehicles	46	-	-	46
Total of non-financial assets at fair value	225	-	-	225
2020				
Office furniture and equipment	114	-	-	114
Computer equipment	190	-	-	190
Motor Vehicles	80	-	-	80
Total of non-financial assets at fair value	384	-	-	384

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 2021. 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 experienced fleet managers who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Reconciliation of Level 3 fair value movements

	Office Furniture and Equipment \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Total \$'000
2021				
Opening balance	114	190	80	384
Purchases	-	18	-	18
Disposals	-	-	-	-
Depreciation	(32)	(111)	(34)	(177)
Closing balance	82	97	46	225
2020				
Opening balance	185	512	131	828
Purchases	37	66	49	152
Disposals	-	(2)	(50)	(52)
Depreciation	(29)	(138)	(30)	(197)
Transfers	(79)	(248)	(21)	(347)
Closing balance	114	190	80	384

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation Technique	Significant unobservable inputs
Office Furniture & Equipment	Depreciated Replacement Cost	Cost per unit
Computer Equipment	Depreciated Replacement Cost	Cost per unit
Motor vehicles	Current Replacement Cost	Cost per unit
Provision for make good	Current Replacement Cost	Cost per unit

Note 8 Other disclosures

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 instrument 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 the SV related mainly to fair value determination.

Structure

- 8.1 Ex gratia expenses
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Change in accounting estimates
- 8.8 Australian Accounting Standards issued that are not yet effective
- 8.9 Glossary of technical items
- 8.10 Style conventions

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 2020-21 financial year (2019-20: Nil)

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 2020 to 30 June 2021
Chief Executive Officer	Claire Ferres Miles	1 July 2020 to 30 June 2021

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of SV during the reporting period was in the range: \$350,000 - \$359,999 in 2020-21 (\$340,000 - \$349,999 in 2019-20).

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 provide 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.

	Total remuneration	
	2021 \$'000	2020 \$'000
Remuneration of executive officers		
Short-term employee benefits	1,609	1,153
Post-employment benefits	150	106
Other long-term benefits	3	9
Termination benefits	-	-
Total remuneration	1,762	1,268
Total number of executives	8	6
Total annualised employee equivalents (a)	8	6

Note:

(a) 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 cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

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

	Amounts recognised as revenue		Amounts recognised as expense	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Department of Environment, Land, Water & Planning				
Landfill levy	19,152	19,105	-	-
Sustainability Fund grants	24,864	27,361	-	-
Government initiatives funding	1,230	467	-	-
Payments for project delivery and unspent funds	-	-	-	198
Environmental Protection Agency				
Government initiatives funding	12	711	-	-
Department of Jobs, Precincts and Regions (Agriculture Victoria)				
Agriculture Victoria Data Mining	18	-	-	-
Department of Jobs, Precincts and Regions				
Qenos	1,400	-	-	-
State Revenue Office	-	-	914	803

Key management personnel (KMP) of SV includes the Minister, the Hon. Lily D'Ambrosio, and the following:

Name	Position Title	Started	Resigned
Vicky Darling	Board Chair	1/07/2020	9/06/2021
Sarah Clarke	Deputy Chair	1/07/2020	30/05/2021
Megan Flynn	Board member	1/07/2020	31/10/2020
Neil Pharaoh	Board member	1/07/2020	
Peter Castellias	Board member	1/07/2020	
Kerry Osborne	Board member	1/07/2020	
Judith Harris	Board member	1/07/2020	
Johan Scheffer	Board Chair	1/06/2021	
Judith Landsberg	Deputy Chair	15/06/2021	
Meredith Banks	Board member	15/06/2021	
Sarah McDowell	Board member	15/06/2021	
Mark Wakeham	Board member	15/06/2021	
Claire Ferres Miles	Chief Executive Officer	1/07/2020	

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.

Compensation of Key Management Personnel

	Total remuneration	
	2021 \$'000	2020 \$'000
Short-term employee benefits	421	454
Post-employment benefits	35	40
Other long-term benefits	-	3
Termination benefits	-	-
Total remuneration	456	497

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.

SV paid \$191,491 in 2020-21 (2019-20: \$nil) to PriceWaterhouseCoopers Consulting Australia as part of Recycling Victoria Expect Advisory Services and Structural Funding Bid Business Case Support. SV's independent member ARFC is involved in PwC being Liza Maimone, who was not involved in any decision making relating to these payments to PwC.

Note 8.5 Remuneration of auditors

	2021 \$'000	2020 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	60	30
Total remuneration	60	30

Note 8.6 Subsequent events

New Lease

SV has executed a lease on new premises at 321 Exhibition Street In Melbourne's CBD, following the expiry of the lease on its existing office accommodation. Management believes that this lease fulfils all the definitions of a lease as defined in AASB 16 *Leases*. The new lease is for a lease term of 7 years with a single option to extend for a further four years. The commencement date is 1 October 2021. Due to delays caused by the ongoing pandemic, occupation is expected at a later date on completion of a fit out.

The estimated value of the related right of use assets is between \$19 Million and \$25 million. These estimates do not include allowance for a lease incentive part of which will be taken as rent abatement, and part to fund an office re-fit.

New Waste Authority

The State Government has announced the creation of a new Waste Authority with responsibilities that overlap with current SV programmes and deliverables. At this stage the details of the Waste Authority initiative are not sufficiently clear that SV can adequately assess their impact on the organisation.

Note 8.7 Change in accounting estimates

Comparative information for 2019-20 in this report reflects the first-time adoption under transitional provisions of two recent accounting standards, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. Year end comparative information reflects the normal application of those standards following their adoption.

Note 8.7.1 Revenue from Contracts with Customers

Note 2 Funding Delivery of our Services includes details about the application of AASB 15 and how the standard has been applied to revenue transactions.

Following a review of the practical operation of AASB 15 throughout the first year of operation, SV has modified and simplified its approach to revenue recognition in order to provide greater consistency in recognising revenue and to enhance the understanding of its financial statements by users.

The principal change in treatment is to apply the input method in recognition of the complexity and co-dependency of the expected underlying contractual outcomes, which cannot readily separated and independently valued. This change of method from from output to input is permitted under AASB 15.

This change in measurement approach has been applied to all contracts that were active at 1 July 2020. Had this measurement approach been applied at first-time adoption of AASB 15, the impact would have been to reduce contract liabilities and increase net assets, equity and revenue by an additional \$2,613,281 (5% of total revenue). It is likely that in FY21, the impact of the change in approach would be of a similar or smaller order, based on the stage of completion of the contracts underway. As the change in approach relates to fixed income projects of a certain life, the revised treatment changes the timing but not the quantum of revenue that can be declared over the full project cycle. All projects in the current portfolio are expected to be completed by the end of the Financial Year 2025. All new projects will adopt the revised approach from inception. Because the project portfolio is both extensive and changes in number and value over time, projecting the impacts of the change on current and future years is impractical. However, with certainty it can be determined that the total lifetime income available from existing and future projects will not be affected.

Note 8.7.2 Income of Not-for-Profit Entities

Where revenue is not accounted for under the provisions of AASB 15 *Revenue from contracts with customers*, SV applies the provisions of AASB 1058 *Income of Not-for-Profit Entities*. AASB 1058 applies principally to revenue from the Municipal Industrial Landfill Levy, which is allocated annually and is not derived from a contract with a customer. SV accounts for the annual allocation in the financial year for which the allocation is determined. The adoption of AASB 15 has not led to any change in accounting treatment or the amounts stated in this or prior years' financial statements.

Note 8.8 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 17 Insurance Contracts. This new Australian standard seeks to eliminate 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. It applies to reporting periods beginning on or after 1 January 2023. SV has not early adopted the standard.

Changes to this standard are not anticipated to have a material impact:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* defers the effective date to reporting periods beginning on or after 1 January 2023. SV has not early adopted the standard.

AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021. This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on SV's reporting:

- AASB 1060 - *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (Appendix C)
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 - *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- AASB 2020-7 - *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- AASB 2020-8 - *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- AASB 2020-9 - *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- AASB 2021-1 - *Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- AASB 2021-2 - *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

Note 8.9 Glossary of technical items

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 transactions'.

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

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 asset 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 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 good, 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 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. assets less liabilities, which is an economic measure of wealth.

Net worth

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

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:

- (a) gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- (b) fair value changes of financial instruments; and
- (c) 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

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.

Note 8.10 Style conventions

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

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx.x)	negative numbers
202x	year period
20xx-2x	year period

The financial statements and notes are presented based on the 2020-21 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

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

Legislation	Requirement	Page reference
Standing Directions & Financial Reporting Directions (FRD)		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	7
FRD 22H	Purpose, functions, powers and duties	7
FRD 8 D	Departmental objectives, indicators and outputs	10 to 14
FRD 22H	Key initiatives and projects	18 to 46
FRD 22H	Nature and range of services provided	18 to 46
Management and structure		
FRD 22H	Organisational structure	51
Financial and other information		
FRD 8 D	Performance against output performance measures	13 to 17
FRD 8 D	Budget portfolio outcomes	13 to 17
FRD 10 A	Disclosure index	121
FRD 12B	Disclosure of major contracts	67
FRD 15E	Executive officer disclosures	63
FRD 22H	Employment and conduct principles	59
FRD 22H	Occupational health and safety policy	59
FRD 22H	Summary of the financial results for the year	49
FRD 22H	Significant changes in financial position during the year	50
FRD 22H	Major changes or factors affecting performance	50
FRD 22H	Subsequent events	50
FRD 22H	Application and operation of Freedom of Information Act 1982	70
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	71
FRD 22H	Statement on National Competition Policy	71
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	71
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	72

Legislation	Requirement	Page reference
FRD 22H	Details of consultancies over \$10,000	67
FRD 22H	Details of consultancies under \$10,000	67
FRD 22H	Disclosure of government advertising expenditure	66
FRD 22H	Disclosure of ICT expenditure	69
FRD 22H	Statement of availability of other information	70
FRD 24 D	Reporting of office-based environmental impacts	124
FRD 25 D	Local Jobs First	64
FRD 29C	Workforce Data disclosures	60
SD 5.2	Specific requirements under Standing Direction 5.2	76
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	137
SD 5.2.3	Declaration in report of operations	3
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	76
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	83
SD 5.2.1(a)	Compliance with Standing Directions	137
SD 5.2.1(b)	Compliance with Model Financial Report	120
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	96
FRD 11 A	Disclosure of Ex gratia Expenses	113
FRD 13	Disclosure of Parliamentary Appropriations	96
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	113
FRD 103H	Non Financial Physical Assets	111
FRD 110 A	Cash Flow Statements	81
FRD 112 D	Defined Benefit Superannuation Obligations	87
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	106
Note:		

(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.

Legislation	Requirement	Page reference
Legislation		
Freedom of Information Act 1982		70
Building Act 1993		71
Protected Disclosure Act 2012		71
Carers Recognition Act 2012		72
Disability Act 2006		72
Local Jobs Act 2003		64
Financial Management Act 1994		76

Appendix 2: Office-based environmental performance

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27 August 2021

Independent Verification Statement:

Greenhouse Gas Operational Inventory Emissions 2020-21

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 2020 to 30 June 2021. 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 raw data inputs and supporting materials;
- Reviewing and checking that methodologies and assumptions have been appropriately applied in alignment with (AS) ISO 14064;
- Correspondence with SV staff (by videoconference 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 consultants with experience in GHG accounting and sustainability reporting. There was an observable reduction this financial year in some areas of the inventory, such as waste, paper usage, electricity usage, floor-only water usage and travel, compared to previous financial years. These are likely to be attributed to the requirements to work from home and travel restrictions imposed in response to the COVID-19 pandemic. 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;
- 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,



Mark Lusi
Associate Principal, Melbourne

Appendix 3: Office-based environmental impacts

Table 18 Office-based environmental impacts

Environmental aspect ¹	Description	Unit of measure	2016 –17	2017 –18	2018 –19	2019 –20	2020 –21
Energy ²⁰	Office tenant light and power (OTLP) use per THC ²	Megajoules per THC	3426	3533	3218	2671	1676
	OTLP use per FTE ³	Megajoules per FTE	3642	3902	3842	3040	1760
	Total Electricity use OTLP	Megajoules	430,539	438,153	479,540	395,246	261,490
	Use per square metre of office space	Megajoules per m2	221	225	246	203	134
	Total Green Power	Per cent	100%	100%	100%	100%	100%
	Base building apportioned electricity use ²³	Megajoules	312,487	256,558	225,900	193,417	152,395
	Base building apportioned natural gas use ⁴	Megajoules	198,360	196,642	157,065	163,000	137
	Total GHG emissions associated with OTLP	Tonnes of CO2 –e	0	0	0	0	0
	Total GHG emissions associated with apportioned electricity use	Tonnes of CO2 –e	103.29	84.09	73.42	60.17	46.14
	Total GHG emissions associated with apportioned gas use	Tonnes of CO2 –e	11.01	10.87	8.71	9.04	0.01
Paper ⁵	Use per THC	Reams per THC	4.1	4.7	5.09	1.86	0.06
	Use per FTE	Reams per FTE	4.4	5.2	6.07	2.12	0.07
	Recycled content	Percentage total	100%	100%	100%	100%	100%
	Total use	Reams	515	583	758	276	10
	Paper GHG emissions	Tonnes of CO2 –e	2	2	3	1	0.04

Environmental aspect ¹	Description	Unit of measure	2016 –17	2017 –18	2018 –19	2019 –20	2020 –21
Materials ⁶	Generated per THC	Kilograms per THC	32	42	26	21	5
	Generated per FTE	Kilograms per FTE	42	46	41	24	5
	Organics per FTE	Kilograms per FTE	8	6	5	3	0
	Recyclables per FTE	Kilograms per FTE	19	35	19	18	5
	Landfill per FTE	Kilograms per FTE	8	4	6	2	0.1
	Organics	Total kg to processor	891	694	805	406	0
	Recyclable materials	Total kg to processors	2245	3977	2374	2355	787
	Landfill	Total kg to landfill	900	505	766	303	16
	Total recycled (incl Organics)	Per cent	78%	90%	81%	90%	98%
	Materials GHG emissions	Kilograms	1260	707	1073	424	26

Environmental aspect ¹	Description	Unit of measure	2016 –17	2017 –18	2018 –19	2019 –20	2020 –21
Water ²⁰	Total Potable Water - Tenancy Only ⁷	Kilolitres	595	581	564	325	34
	Potable Water per FTE - Tenancy Only ⁷	Kilolitres per FTE	5.04	5.17	4.35	2.3	0.22
	Potable Water per THC - Tenancy Only ⁷	Kilolitres per THC	4.74	4.68	3.75	2.18	0.23
	Potable Water per m2 - Tenancy Only ⁷	Kilolitres per m2	0.31	0.30	0.29	0.17	0.02
	Total Apportioned Water ⁸	Kilolitres	920	1266	928	937	329
	Apportioned Water per FTE ⁸	Kilolitres per FTE	7.96	11.43	7.15	6.64	2.15
	Apportioned Water per THC ⁸	Kilolitres per THC	7.56	10.13	6.18	6.30	2.20
	Apportioned Water per m2 ⁸	Kilolitres per m2	0.47	0.65	0.48	0.48	0.17
	Potable Consumption per THC	Kilolitres per THC	4.74	4.68	3.75	2.18	0.23
	Potable Consumption per FTE	Kilolitres per FTE	5.04	5.17	4.35	2.30	0.22
	Potable Consumption per unit of Office Space	Kilolitres per m2	0.31	0.30	0.29	0.17	0.02
	Total potable water consumption floor only	Kilolitres	595	581	564	325	34
	Recycled water floor only ²¹	Kilolitres	19.38	7.10	0.00	0.00	0.0
	Total apportioned water consumption ⁸	Kilolitres	920	1266	928	937	329
	Apportioned water consumption per THC	Kilolitres per THC	7.32	10.21	6.23	6.33	2.11
	Apportioned water consumption per FTE	Kilolitres per FTE	7.78	11.27	7.44	7.21	2.21

Environmental aspect ¹	Description	Unit of measure	2016 –17	2017 –18	2018 –19	2019 –20	2020 –21
Transportation ^{9, 10, 22}	Energy consumption per THC	Gigajoules per THC	2.40	3.65	2.24	1.29	0.12
	Energy consumption per FTE	Gigajoules per FTE	2.55	4.03	2.67	1.46	0.12
	Total energy consumption	Gigajoules	301.81	452.15	333.04	190.29	18
	Total vehicle travel by vehicle type ¹⁰	Kilometres	181,169	225,853	154,113	72,633	7,686
	Total associated GHG emissions	Kilograms of CO2-e	20,342	30,475	23,213	12,902	1,213
	GHG emissions/1,000 km travelled	Kilograms of CO2-e	112	135	151	178	158
	Staff Travel associated with agency operations per THC	Kilometres per THC	1,442	1,821	1,034	491	49
	Staff Travel associated with agency operations per FTE	Kilometres per FTE	1,532	2,011	1,235	559	52
	Total air travel associated with agency operations	Kilometres	43,665	162,570	275,833	85,957	2,820
	Employees regularly using public transport, cycling or walking to and from work	Per cent	89.3%	93.1%	96.9%	95.5%	97.5%
	Employees regularly using more sustainable modes of transport ^{11, 22}	Per cent	26.2%	28.3%	32.7%	33.7%	79%

Environmental aspect ¹	Description	Unit of measure	2016 –17	2017 –18	2018 –19	2019 –20	2020 –21
Greenhouse Gas Emissions 14,15,16,17,18	Total GHG emissions associated with scope 3 energy use ¹²	Kilograms of CO2 –e	11,959	12,171	86,738	71,153	54,132
	Total GHG emissions associated with vehicle fleet	Kilograms of CO2-e	20,342	30,475	23,213	12,902	1213
	Total GHG emissions associated with air travel ¹³	Kilograms of CO2-e	47,547	35,707	73,409	22,753	689
	Total GHG emissions associated with materials disposal	Kilograms of CO2-e	1260	707	1073	424	26
	Total GHG emissions from staff commute ¹⁸	Kilograms of CO2-e	107,349	107,918	105,902	85,510	12,452
	Total GHG emissions associated with scope of operational activities ¹⁹	Kilograms of CO2-e	442,663	424,987	525,887	320,832	187,958

Notes:

- During FY 2020/21, SV had on average 5.5 clients / guest visitors per month, down significantly from 2019/20, due to coronavirus (COVID-19), lockdowns and staff working from home. There were zero guests/clients to the office from July 2020 to January 2021
- THC = Average Total Head Count for FY 2020/21 which includes contractors employed at Sustainability Victoria. Our contractors work on-site, using many of the same resources as our employees. Temporary agency employees are not included in THC.
- FTE = Full Time Equivalent staff averaged for the FY 2020/21. Temporary agency employees are not included in FTE.
- Base building apportioned gas consumption is calculated from net lettable area. With SV occupying 1 floor our apportioned value is 2.9%.
- One ream is equivalent to 500 sheets of A4 office paper. All paper figures rounded to the nearest tenth.
- Waste figures from one-week measurements taken 2021 during a "normal" work week. "New Normal" for 2020-21 is <30% workforce at office any given week, meaning a significant reduction in waste compared to 2019/20.
- 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.
- Total water use figure calculated as an apportioned value (2.9%) based on Net Lettable Area occupied by Sustainability Victoria.
- As of June 2014 vehicle fleet entirely made up of Hybrid Camry's which use unleaded fuel.
- Value incorporates staff driving personal vehicles in some instances where fleet vehicles not accessible.
- More sustainable modes of commuting include: cycling, walking and working from home.
- 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.
- 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.
- 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.
- Greenhouse Gas emission factors based on October 2020 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.
- Emissions from publications are calculated using a methodology developed by The Gaia Partnership using the CO2counter technology.
- 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.
- GHG emissions from staff commute to and from work was incorporated beginning in FY 2012/13
- The operational aspects included in the scope of activities for purchasing carbon offsets are: apportioned base building electricity and gas, office tenant light and power, kitchen and vehicle refrigerants, waste to landfill, air travel, public transport, taxi travel, fleet vehicles for work based activities, paper and publications consumption, water consumption, and staff commuting. Office, light and power are included even though GreenPower is purchased to illustrate the organisation's total GHG emissions associated with the scope of operational activities. A 10% buffer in the purchase of carbon offsets has been incorporated to cover any inaccuracies in calculating the components included within SVs Greenhouse inventory boundary.
- 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
- The recycled water system has not been in operation since July 2018 and thus zero values have been entered for recycled water for FY20/21
- Travel data, including the travel surveys and vehicle use data, have been significantly impacted by coronavirus (COVID-19), with virtually no travel due to restrictions and government requirements to work from home, and a significant change in ways of working - increase of staff working from home compared to working in the office.
- Apportioned energy usage reduced by approximately 20%, as a result of on-going energy use requirements for essential services such as server room, and building ventilation etc., despite office closures due to coronavirus (COVID-19).

Note, 2020/21 data was impacted significantly by coronavirus (COVID-19). Staff worked from home for much of the year. A pilot program commenced in April 2021, with a new desk/office space booking system that was implemented as part of the space and capacity limits for working in office spaces.

Appendix 4: Grant allocations

Table 19 Grants allocated in 2020–21¹

Organisation	Description	Payment
30xy Environmental Resources	30XY Group Reclaim Waste Wet Recycling System	\$21,000.00
490 Spencer Street Pty Ltd	Better Commercial Buildings General Funding Agreement – 490 Spencer Street Pty Ltd	\$5,000.00
Alba Whisky Caledonia Distribution Pty Ltd	ISGP Alba Whisky Cardboard Packaging	\$6,000.00
Alpine Shire Council	E-waste Infrastructure Upgrade – Alpine Shire Council Mt Beauty Transfer Station	\$50,000.00
Alpine Shire Council	Great Valley Trail – Shared Trail Asphalt Surfacing Project	\$45,454.55
Ararat Rural City Council	Ararat Rural City LGES Stream 3 Facility Upgrades	\$49,291.09
Ararat Rural City Council	E-waste Infrastructure Upgrade – Lake Bolac Resource Recovery Centre	\$70,000.00
Ararat Rural City Council	Toward the Future – Lake Bolac Resource Recovery Centre Upgrade Project	\$135,000.00
ARRB Group Ltd	ARRB – Recycled glass in asphalt for rehabilitation work on Brimbank City Council roads	\$50,000.00
Astron Plastics Pty Ltd	Post-consumer polypropylene plastic flake sorting and reprocessing plant	\$461,020.79
Australian Paper Recovery Pty Ltd	ISGP APR Commercial packaging diversion	\$50,000.00
Barwon South West Waste And Resource Recovery Group	Barwon South West Community Led Litter Source Reduction	\$20,000.00
Benalla Rural City Council	Benalla Resource Recovery Centre Upgrade	\$315,000.00
Benalla Rural City Council	E-waste Infrastructure Upgrade – Benalla City Council – Benalla RRC	\$30,000.00
Big Group Hug	ISGP Big Group Hug Purposeful Packaging	\$11,500.00
Branin Pty Ltd Atf Bread Recycling Unit Trust	Branin – EcoUnpack	\$55,000.00
Camperdown Compost Company	Camperdown Compost Facility Upgrade	\$190,000.00
Capricorn Power	Capricorn Bioenergy Infrastructure Fund	\$15,400.00
Central Goldfields Shire	Carisbrook Transfer Station Pavement Upgrade	\$17,500.00
City of Banyule	E-waste Infrastructure Upgrade – Banyule Waste Recovery Centre	\$30,000.00
City of Casey	Arch Brown Reserve picket fence project	\$25,000.00

¹ Represented on a 'cash' basis.

Organisation	Description	Payment
City of Darebin	KP Hardiman Hockey Field and Lighting Redevelopment Project	\$149,790.00
City of Maribyrnong	Let's Go FOGO	\$90,500.00
City of Monash	E-waste Infrastructure Upgrade – Monash Waste Transfer and Recycling Station – E-waste shed	\$93,880.59
City of Monash	Monash paves the way to recycled content infrastructure	\$79,000.00
City of Whittlesea	Yale Drive Sustainable Pavement Rehabilitation	\$27,831.00
City of Yarra	Yarra City Council Holistic Waste Management Services	\$300,000.00
Cleanaway Pty Ltd	Liquid Paper Board Recovery	\$90,000.00
Cleanaway Solid Waste Pty Ltd	Cleanaway Brooklyn Resource Recovery Centre (BRRC) Upgrade	\$450,000.00
Close the Loop Limited	Increased use of recycled soft plastics in asphalt roads	\$184,217.00
Darpac Pty Ltd Cylindrical Packaging Specialists	ISGP Darpac Labelling Machine	\$10,447.50
Deakin University Geelong	Deakin – Catalyst assisted polyethylene (PE) recycling	\$100,000.00
Deakin University Geelong	Deakin – Recycled silicon from PV panels	\$25,000.00
Delorean Energy Pty Ltd	Delorean Bioenergy Infrastructure Funding	\$50,000.00
Department Of Transport	MRPV Noise Wall Project	\$50,000.00
Developments Exhibition Pty Ltd	Better Commercial Buildings – Development Exhibition – 136 Exhibition St	\$2,880.00
East Gippsland Shire Council	E-waste Infrastructure Upgrade – East Gippsland Shire Council: Lakes Entrance Transfer Station	\$30,000.00
Ecocycle Pty Ltd	Battery Recycling Solutions	\$20,000.00
Norwood Technologies Pty. Ltd.	Norwood Bioenergy Infrastructure Funding	\$50,000.00
Enrich360 Pty Ltd	Enrich 360 Onsite Food Organic Waste Recovery Program	\$75,840.08
Envirostream Australia Pty Ltd	The Victorian Battery Recycling and Material Recovery Infrastructure Project	\$13,200.00
Ethical Property Commercial	Better Commercial Buildings General Funding Agreement – Ethical Property Commercial Fund	\$5,000.00
Ewastec Pty Ltd	E-waste Infrastructure Upgrade Round 2 – E-waste Recycling Plant	\$50,000.00
Ewastec Pty Ltd	E-waste Infrastructure Upgrade Round 2 – E-waste shelters	\$20,000.00
FDA Enterprises Pty Ltd T/As Pipeconnex	Melbourne PVC Pipe Recycling and Manufacturing Facility	\$80,120.00
Frankston City Council	Brighton Street Reconstruction	\$75,000.00

Organisation	Description	Payment
Fulton Hogan Industries Pty Ltd	Warrnambool Glass & Plastic Recovery Processing for Pavement Materials	\$96,500.00
Globe International Limited	Better Commercial Buildings - Globe International Ltd	\$1,245.00
Graina Pty Ltd	ISG Graina Zero Waste Circular Economy Business	\$37,500.00
Happy Planet Toys Pty Ltd	ISGP HPT Injection Moulding Equipment	\$35,000.00
HATCH Biosystems	Insect Bioconversion Demonstration Project	\$40,000.00
Hepburn Shire Council	E-waste Infrastructure Upgrade – Daylesford Transfer Station and Resale Centre	\$48,522.87
Horsham Rural City Council	Wimmera Riverfront Activation - a sustainable approach	\$12,255.00
Hub And Spokes Pty Ltd (Small Giants)	Better Commercial Buildings – Small Giants – 11 Princes St, St Kilda	\$20,000.00
Innovative Plastic Solutions Pty Ltd	ISGP IPS Shopping handbasket made from recycled milk bottles	\$12,500.00
Integrated Recycling (Pro-Pac Group Pty Ltd)	Integrated Recycling – Mildura Plant Upgrade	\$80,000.00
Jones Lang Lasalle (Vic) P/L Trust	Endeavour Hills Shopping Centre – Better Commercial Buildings Funding Agreement	\$5,000.00
Latrobe City Council	Construction of asphalt concrete overlay with 15% recycled glass	\$10,000.00
Loddon Mallee Waste & Resource Recovery Group (LMWRRG)	Loddon Mallee Event Litter Prevention and Waste Minimisation Guide	\$50,000.00
Loddon Shire Council	E-waste Infrastructure Upgrade Round 2 – Pyramid Hill Landfill	\$10,000.00
Loddon Shire Council	E-waste Infrastructure Upgrade Round 2 – Wedderburn Transfer Station	\$10,000.00
Melbourne Inner City Management Pty Ltd	Better Commercial Buildings Funding Agreement – 140 Burke St	\$5,000.00
Mitchell Shire Council	Seymour Resource Recovery Centre	\$20,000.00
Moira Shire Council	E-waste Infrastructure Upgrade – Cobram Resource Recovery Centre	\$70,000.00
Moira Shire Council	E-waste Infrastructure Upgrade – Nathalia Transfer Station	\$63,637.50
Moira Shire Council	E-waste Infrastructure Upgrade – Numurkah Transfer Station	\$70,000.00
Moira Shire Council	E-waste Infrastructure Upgrade – Yarrawonga Transfer Station	\$70,000.00
Moira Shire Council	Cobram Commercial Waste Sorting Facility	\$230,000.00
Monash University	Monash Railway Sleeper R&D Grant Project	\$100,000.00

Organisation	Description	Payment
Mornington Peninsula Shire Council	E-waste Infrastructure Upgrade – Mornington Resource Recovery Centre	\$71,569.60
Mornington Peninsula Shire Council	E-waste Infrastructure Upgrade – Rye Resource Recovery Centre	\$72,369.00
Mornington Peninsula Shire Council	E-waste Infrastructure Upgrade – Tyabb Resource Recovery Centre	\$74,261.50
Mount Alexander Bioenergy	Bioenergy Infrastructure Grant	\$40,000.00
Mount Alexander Shire Council	E-waste Infrastructure Upgrade – Castlemaine Resource Recovery Centre	\$30,000.00
Mount Kimberley Pty Ltd	Better Commercial Buildings Grant Funding Agreement – Northpoint hotel	\$5,000.00
Murrindindi Shire Council	E-waste Infrastructure Upgrade – Yea Resource Recovery Centre	\$60,786.91
National E Waste Alliance	Diversion and Recycling of Problematic Electronic Waste	\$25,250.00
National Paper Industries	ISGP NPI Paper Reel Cutting Machine	\$11,500.00
Officeworks	New Recycling Stations for Officeworks' Product Stewardship Programs	\$40,000.00
Pakaflex Pty Ltd	ISGP Pakaflex Plastic Film Recycler	\$50,000.00
Plastica Australia Pty Ltd	ISGP Plastica Australia Waste Plastic to Reusable and Recycled Bags Expansion	\$50,000.00
Polytrade Pty Ltd	Polytrade Campbellfield Plastics Sorting Project	\$200,000.00
Presto Furniture Australia Pty Ltd	ISGP Presto Furniture Cardboard Packaging	\$2,097.50
Primewest	Better Commercial Buildings Funding Agreement – 616 St Kilda Joint Venture	\$5,000.00
Proof & Company Australia (Sa'pere Drinks Pty Ltd)	ISGP Proof & Company Container Filling Plant	\$45,500.00
Pullman Melbourne On Swanston	Swanston Hotel Grand Mercure – Better Commercial Buildings Funding Agreement	\$5,000.00
Recyclable Packaging	ISGP Casslis RPET Cheese and Chicken Trays	\$37,500.00
Recycling Industries Pty Ltd	Clarinda Additive Bin	\$193,000.00
Replant-It Pty Ltd	Wash Plant Capacity Optimisation – Waste Glass Recovery	\$200,000.00
Replant-It Pty Ltd	Waste Glass Washing Project	\$455,000.00
Resource Pty Ltd	Expansion of handheld battery recycling plant	\$54,000.00
RMIT University	LDPE and Crumb Rubber in Asphalt	\$20,000.00
RMIT University	Recycled Glass Technology for Cost Effective Access Covers	\$7,806.00
RMIT University	Recycled Plastic and Rubber in Municipal Concrete Infrastructure	\$75,000.00

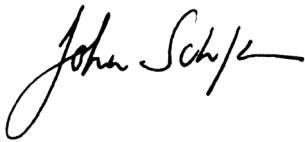
Organisation	Description	Payment
Rural City Of Wangaratta	Regional Organics Processing Plant	\$20,000.00
S.M.A.R.T Recycling Pty Ltd	SMART Bioenergy Infrastructure Fund	\$317,500.00
Salta Asset Management	Better Commercial Buildings – Salta – 1 Nexus Crt Mulgrave	\$5,898.18
Salta Asset Management	Better Commercial Buildings – Salta – 2 Nexus Crt Mulgrave	\$5,478.18
Salta Asset Management	Better Commercial Buildings – Salta – 37 Dunlop Rd Mulgrave	\$4,678.18
Salta Asset Management	Better Commercial Buildings – Salta – 4 Nexus Crt Mulgrave	\$5,598.18
SCS Plastics	ISGP – SCS Plastics RPET 2020	\$50,000.00
Shire of Campaspe	Campaspe Shire Council – Introduce a Household Food Organics Collection and Expand the Current Garden Collection to Include Food	\$25,455.06
Shire of Campaspe	E-waste Infrastructure Upgrade – Campaspe Shire Council – Rochester RRC	\$33,061.82
Shire of Campaspe	E-waste Infrastructure Upgrade – Campaspe Shire Council – Mt Scobie Centre	\$54,509.09
Shire of Campaspe	E-waste Infrastructure Upgrade – Campaspe Shire Council – Rushworth RRC	\$69,720.00
Shire of Corangamite	Twelve Apostles Trail – ‘Closing the Loop’	\$18,462.50
SL Frazer Enterprise Pty Ltd Stones Of The Yarra Valley	ISGP Stones of the Yarra Valley Sustainability Project	\$3,434.25
Southern Grampians Shire Council	E-waste infrastructure upgrade Round 2 – e-waste shipping containers	\$16,052.23
Surf Coast Shire	Stribling reserve sustainable upgrades	\$21,515.25
Surf Coast Shire	Food organics recovery program	\$120,000.00
Swinburne University Hawthorn	Foamed bitumen stabilisation of pavements using glass fines and plastics	\$50,000.00
Swinburne University of Technology	Pilot process for extraction and production of Zinc powder from end-of-life batteries	\$22,190.00
Swinburne University of Technology	Recovered plastics and glass fines in rail track substructures	\$42,950.00
Swinburne University of Technology	Recycled Plastics in Concrete Void Former	\$10,000.00
Taras Nominees Pty Ltd	Better Commercial Buildings – Taras – 16-22 Grimshaw St Greensborough	\$5,300.00
Taras Nominees Pty Ltd	Better Commercial Buildings – Taras, 617 Victoria Street, Richmond	\$6,500.00
The Trustee for Travel Essentials Unit Trust T/As Select*D	ISGP Select*d Pet Bowl Tool	\$3,350.00

Organisation	Description	Payment
University of Melbourne	Precast walls made from glass fines & cellulose fibres	\$50,000.00
University of Melbourne	Lightweight concrete R&D grant project	\$20,000.00
Victoria Gardens Developments Pty Ltd	Better Commercial Buildings – Victoria Gardens, 678 Victoria Street, Richmond	\$7,400.00
Victoria University	Recycled material blends for sewer and urban water infrastructure	\$110,000.00
Victorian Recyclers	ISGP Packaging Strapping Recycling	\$50,000.00
Wellington Shire Council	E-waste infrastructure upgrade Round 2 – e-waste storage solution for two Wellington Shire Satellite Sites	\$18,458.13
Western Water	W2e infrastructure project	\$532,233.64
Wyndham City Council	E-waste infrastructure upgrade	\$70,000.00
Yarra Ranges Shire Council	Warburton Water World - Road Widening Project	\$50,000.00
Yarra Ranges Shire Council	Road Surface Treatment (Blacksmiths Way, Belgrave & Anderson St, Lilydale)	\$19,813.00

Appendix 5: Attestation for compliance with Ministerial Standing Direction

Sustainability Victoria Financial Management Compliance
Attestation Statement

I Johan Scheffer, on behalf of the Responsible Body, certify that Sustainability Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

A handwritten signature in black ink, appearing to read 'Johan Scheffer', with a stylized flourish at the end.

Johan Scheffer
Chairperson, Sustainability Victoria

28 October 2021

Acronyms

Acronym Description

AAS	Australian Accounting Standards	LFHW	Love Food Hate Waste
AAE	Annualised employee equivalent	NABERS	National Australian Built Environment Rating System
AASB	Australian Accounting Standards Board	NatHERS	Nationwide House Energy Rating Scheme
ABBA	Australian Biomass for Bioenergy Assessment	NCC	National Construction Code
ABN	Australian Business Number	OH&S	Occupational Health and Safety
ACE	Australian Circular Economy	Opex	Operating Expenditure
ACN	Australian Company Number	OTLP	Office tenant light and power
ARMB	Alpine resort management boards	OVIC	Office of the Victorian Information Commissioner
ARRB	Australian Road Research Board	MPSG	Major Project Skills Guarantee
AUD	Australian Dollars	PET	Polyethylene terephthalate
BAU	Business as Usual	PID	Public Interest Disclosure
Capex	Capital Expenditure	PP	Polypropylene
CE	Circular Economy	PV	Photovoltaic
CEBIC	Circular Economy Business Innovation Centre	PVC	Polyvinyl Chloride
CEO	Chief Executive Officer	R&D	Research & Development
CPH	Community Power Hubs	RISP	Recycling Industry Strategic Plan
DELWP	Department of Environment, Land, Water and Planning	RRIF	Resource Recovery Infrastructure Fund
DTF	Department of Treasury and Finance	RSS	ResourceSmart Schools
EMS	Environmental Management System	RV	Recycling Victoria
EPA	Environment Protection Authority Victoria	SME	Small to Medium Enterprise
FOGO	Food Organics and Garden Organics	SV	Sustainability Victoria
FOI	Freedom of Information	SWRRIP	Statewide Resource and Recovery Infrastructure Plan
FRD	Financial Reporting Direction	THC	Total Head Count
FT	Full-time	UNDSG	United Nations Sustainable Development Goals
FTE	Full-time equivalent	VEU	Victorian Energy Upgrades
FY	Financial Year	VIPP	Victorian Industry Participation Policy
GHG	Greenhouse gases	VPS	Victorian Public Sector
GST	Goods and Service tax	VPSC	Victoria Public Sector Commission
HS&W	Health, Safety and Wellbeing	VRIP	Victorian Recycling Infrastructure Plan
IBAC	Independent Broad-based Anti-corruption Commission	WRRG	Waste Resource Recovery Group
ICT	Information and Communications Technology	ZNC	Net-zero Carbon
IT	Information Technology		

