



2008/2009
ANNUAL REPORT

Living well within our environment



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for Environmental Sustainability Victoria, 2009

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Commissioner for Environmental Sustainability

ANNUAL REPORT

2008/2009

“Victorians’ wellbeing must be maintained
without degrading the natural environment”

Dr Kate Auty

Together we can make a difference

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ABBREVIATIONS

CES	Commissioner for Environmental Sustainability
DSE	Department of Sustainability and Environment
EPA	Environment Protection Authority Victoria
EMS	Environmental Management Systems
ESF	<i>Our Environment Our Future</i> , Environmental Sustainability Framework
FRD	Financial Reporting Directive
FTE	Full Time Equivalent
GHG	Greenhouse Gas
OCES	Office of the Commissioner for Environmental Sustainability
SoE	State of the Environment
SV	Sustainability Victoria

PREAMBLE

As the Commissioner for Environmental Sustainability I am pleased to present this report for the year 2008-2009.

The report reflects the work of the Office of the Commissioner for Environmental Sustainability under the direction of the inaugural Commissioner Dr Ian McPhail. Dr McPhail retired from the position in May 2009. I was appointed on 19 June and formally assumed the position of Commissioner on 6 July 2009.

During the year Dr McPhail and his staff completed the report '*State of the Environment Victoria 2008*' and submitted it to the Minister. The Commissioner then promoted the report and its findings to the government, peak bodies, non government organisations, community groups and other stakeholders across the State.

The Commissioner's office also presented its annual strategic audit in January 2009 reporting on Government departments' and agencies' environmental management programs. Areas of special interest included government procurement, office accommodation and vehicle fleet. The office also reported on the status of prior strategic audit recommendations. A supplementary report was compiled and submitted on office-based environmental performance pursuant to Financial Reporting Directive 24C.

The Commissioner and his staff spoke at and attended conferences, seminars and forums throughout the year to raise the profile of sustainability in Victoria, outline the Commissioner's work program and generally inform and engage the public and formal stakeholders.

Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994* (FMA), I present the Report of Operations for the Commissioner for Environmental Sustainability for the year ending 30 June 2009.



Dr Kate Auty

Commissioner for Environmental Sustainability



ABOUT US

The Role of the Commissioner

An independent voice

Victoria's Commissioner for Environmental Sustainability (CES), through a series of major projects and partnerships, promotes and advocates for greater environmental sustainability across Victoria, while encouraging leadership in best practice models and management systems in Government.

Established by the Victorian Government in November 2003, under Section 6 of the *Commissioner for Environmental Sustainability Act 2003*, the Commissioner provides an independent voice that audits and reports on environmental sustainability.

Gavin Jennings MLC, Minister for Environment and Climate Change was the responsible Minister for the reporting period.

Nature and range of services

The legislative objectives of the Commissioner under the Act are to:

- Report on matters relating to the condition of the natural environment of Victoria.
- Encourage decision-making that facilitates ecologically sustainable development.
- Enhance knowledge and understanding of issues relating to ecologically sustainable development and the environment.
- Encourage sound environmental practices and procedures to be adopted by the Government of Victoria and local government as a basis for ecologically sustainable development.

The Commissioner's four major functions are to:

- Prepare a report on the state of the environment of Victoria at intervals not exceeding five years or at shorter intervals in compliance with a framework for reporting.
- Conduct annual strategic audits of, and prepare reports on, the implementation of environmental management systems by agencies and public authorities.
- Audit public education programs relating to ecologically sustainable development and advise the Minister as to the effectiveness of the programs in encouraging the community to adopt ecologically sustainable development principles and practices.
- Advise the Minister in relation to any matter relating to ecologically sustainable development upon referral from the Minister.

The Commissioner is required to submit reports directly to the Minister.

In addition to these statutory functions the Commissioner may also publish statements and guidelines.

The Office

Dr Ian McPhail's term finished on 5 May 2009. Dr Kate Auty was appointed as Commissioner for Environmental Sustainability on 19 June 2009 and started in the role on 6 July 2009. As at 30 June the office comprised seven staff, with up to 15 staff during the year.

The DSE provides support services to the office such as facilities and financial, information technology and human resource management systems.

Well-being and staff development

Staff have access to a range of programs provided by the DSE. The Commissioner is committed to providing and maintaining a safe and healthy workplace for all its employees, contractors and visitors. The Commissioner and DSE are also

committed to ensuring that all employees will be provided with the use of facilities, equipment, education and training to minimise and prevent workplace injury and illness. These services include training and development programs, occupational health and safety and counselling services through the Employee Assistance Program together with well-being programs. The use of a common framework for managing specific workplace hazards is a critical part of OCES's strategy for managing health and safety.

Staff of the OCES participate in DSE's performance management and progression system. The performance management system aims to align CES objectives with employee performance, and build and enhance capability through the planning, management and reward of employee performance.

A range of training and development programs were undertaken by staff in 2008-09.

Shepparton Irrigation Region Visit

The Department of Primary Industries and the Goulburn Broken CMA hosted six staff from the Commissioner's office, on a two day visit to the Shepparton Irrigation Region (SIR) in November 2008.

Major themes of the recently completed State of the Environment (SoE) Victoria 2008 converge in the SIR: water and climate change, land and biodiversity, production and consumption.

Sites visited demonstrated irrigation modernisation, surface and groundwater management, horticulture and Land and Water Management Plan implementation, wetlands operations and river restoration.

The visit provided a valuable opportunity for staff to complement knowledge gained through the SoE reporting process by learning about issues outside their own area of focus, about how these issues impact on the SIR, and the situated experiences of land and water managers.

Staff from the Goulburn Broken CMA hosted a tour of waterway management projects for CES staff visiting the Shepparton region in November.
Photo: OCES



The Australian Garden, Cranbourne.
Photos: Claire Ruedin



World Environment Day

Staff members from the OCES attended a range of events to celebrate World Environment Day on 5 June 2009. Some of the events were organised by the DSE Social Committee and external government departments. The objectives of the events were to encourage staff interaction across divisions and locations, expose staff to work being undertaken across the department and to raise staff attention to the World Environment Day message.

Events attended included:

- tour of the City of Melbourne Council House, CH2 building
- climate change seminar presented by Prof David Griggs, Chief Executive Officer of ClimateWorks Australia and the Monash Sustainability Institute (organised by the Department of Justice)
- tour of 'The Australian Garden' at Cranbourne Royal Botanic Gardens (organised by the Department of Sustainability and Environment)



Melbourne City Council's CH2 building. Six wind-driven turbines atop the building assist with the exhaust air system and also generate power.
Photos: Courtesy of Melbourne City Council

AT A GLANCE

State of the Environment (SoE) Victoria 2008

The *SoE Victoria 2008* was submitted to the Minister for Environment and Climate Change and publicly launched in December 2008. This report was developed in consultation with a range of stakeholders. The *SoE Victoria 2008* is a comprehensive statement on the drivers and direct pressures on the environment, the current state of and trends in the natural environment and an assessment of the capacity for Victorians to live well within our environment.

Strategic audit of Government's environmental management systems

The role of the Commissioner's annual strategic audit function continues to provide the Minister for Environment and Climate Change, the Victorian Parliament and the Victorian public with a high-level, independent assessment of government's performance in reducing environmental impacts. The *Fifth Annual Strategic Audit* report, addressed the environmental activities of Government agencies, and was submitted to the Minister in January 2009.

Consultation and conferences

To encourage the strengthening of Government's environmental performance and to raise the profile of sustainability in Victoria, the Commissioner spoke at a number of seminars and forums. In 2008-09 Dr McPhail presented to a wide range of audiences. Some highlights included the *SoE Victoria 2008* presentations across metropolitan Melbourne and regional Victoria.



OUTCOMES

State of Environment (SoE) Report Victoria 2008

Preparation

During 2008-09 the Office of the Commissioner for Environmental Sustainability finalised, published and publicised the inaugural '**State of the Environment Victoria 2008**'. The report provides a comprehensive assessment of the drivers and direct pressures on the environment, the current state and trends in the natural environment and an assessment of the capacity for Victorians to *live well within our environment*.

Consultation

The Commissioner consulted with government, academia, environmental non-government organisations and the private sector during July and August 2008 seeking feedback on the draft report.

Staff within the Commissioner's office collated comments received during the consultation stage and worked through them methodically updating and adding information. In many cases further research was undertaken, and further clarification with those making the comments was sought.

The SoE Inter-Agency Committee continued to meet during 2008-09, actively consulting on SoE content.

Publication of the State of the Environment report

Each section of the *SoE Victoria 2008*, as well as a summary document which contains the Commissioner's forward, key findings and recommendations, is now available on the CES website.

The principle sections of the report are:

- Part 1 Introduction
- Part 2 Driving Forces
- Part 3 Production, Consumption and Waste
- Part 4 The State of the Environment
- Part 5 Living Well Within Our Environment



Victoria's first comprehensive State of the Environment Report was launched on the 4 December 2008. Dr Ian McPhail (left) pictured here presenting his report to Peter Harris, Secretary of the Department of Sustainability and Environment.
Photo: OCES

From,
The Age Editorial,
5 December, 2008

Time is running out

So many official reports come and go that they can disappear with little trace. Indeed, governments are often guilty of filing reports away, to be buried under the flood of recommendations into the too-hard basket. That cannot be allowed to happen with the inaugural Victorian State of the Environment Report released yesterday by Sustainability Commissioner Ian McPhail. The findings are simply too critical for our future wellbeing to be ignored by Victorians, whether they be Government Ministers or members of the public.

Launch

SoE Victoria 2008 was finalised and prepared for publication during October and November. The report was launched on 4 December, 2008, the same day that it was tabled in Parliament.

About 70 people attended the launch. The Commissioner also gave a number of television and radio interviews.

The report received local, national and international interest which included over 3,500 hits to the SoE webpages during the week of the launch. The launch and media attention resulted in valuable public awareness of the report, some excellent reviews and a good deal of discussion.

In addition to the core document, 24 fact sheets were also published. Each of the fact sheets summarises a subsection of the report in a form that is accessible. The fact sheets are intended to be of particular value to students and to the general public for use as an educational tool, and are available on the CES web site.

Promotional program

The Commissioner and staff undertook a state-wide promotional program of the report from December 2008 to April 2009. With the help of government agencies such as Catchment Management Authorities, the Commissioner presented the findings of the report to peak bodies, community groups, non-government organisations and students.

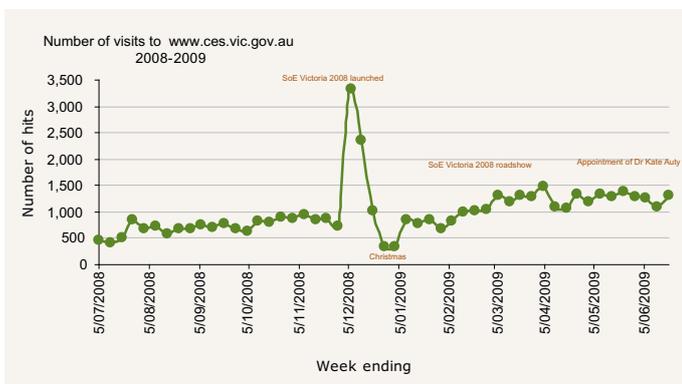
This promotional program consisted of approximately 42 presentations, a range of lectures and several radio interviews. In addition to the promotional program, staff also published several articles on the SoE Victoria 2008 for magazines of member based organisations including the Victorian Science Teachers Association. A video recording of the Commissioner’s presentation is available on the CES web site. During the presentation, the Commissioner reminded the audience that the information contained within the report is “...designed not just for the government to respond to, but also for the community to use.”

As a result, during the first half of 2009, the report has been referenced by various other organisations.

...a key recommendation of the 2008 State of the Environment Report was that “the Victorian Government should consider progressively extending VEAC recommendations on phasing out uncontrolled grazing of domestic stock on Crown Land water frontages to the rest of Victoria, beginning with the 2009 licence renewal process”.

Victorian National Parks Association commenting on grazing on riparian land.

The report has also been used to support submissions made by OCES to a number of inquiries.



CES website visits 2008-2009 shows an increase following the launch and again during the promotional phase of SoE Victoria 2008. Source: Google Analytics

Feedback

Feedback from other jurisdictions such as the Ministry for the Environment, New Zealand and the Department of Environment, Water, Heritage and the Arts national taskforce on SoE reporting has been very favourable. Other States are now intending to use some of the approaches taken in the *SoE Victoria 2008*, particularly the integrated exploration of environmental problems which was identified by other jurisdictions as a key benefit in furthering the discipline of state of the environment reporting.

This integrated approach enables the causes and consequences of issues to be explored and was applied across the entire report via the *Driving forces, Pressure, State, Implications and Response* model. However, this approach was applied on an issue-by-issue basis and enables any single issue to be considered in the context of highly interdependent systems.

Recommendations

The Victorian Government is required to respond to the *SoE Victoria 2008* recommendations by 4 December 2009* (*CES Act 2003*, Section 17(5)).

Environment Management

Improving Environmental Performance

The role of the Commissioner's strategic audit function is to provide the Minister for Environment and Climate Change and Parliament with a high-level, independent assessment of government's performance in reducing the environmental impacts of its own operations through its environmental management programs.

During 2008-09, the Commissioner successfully completed the fifth annual Strategic Audit of the Victorian Government's environmental performance. This included the second assessment by the Commissioner of the adoption of the *Victorian Government's Environmental*

Sustainability Framework strategic directions. The report was submitted to the Minister in January 2009 and is available on the CES web site.

The Strategic Audit covered all State Government departments, two agencies, EPA and Sustainability Victoria, and seven agencies piloting the Government's ResourceSmart program. The ResourceSmart pilot agencies included Goulburn Broken Catchment Management Authority, Essential Services Commission, Parks Victoria, Victoria Police, National Gallery of Victoria, Victorian Electoral Commission and Parliament of Victoria.

The report included the following:

- an assessment of Government's strategy and implementation of its EMS expansion commitment;
- an examination of the progress of the government's Environmental Management System (EMS) program;
- comparisons of environmental management approaches in other jurisdictions;
- profiling of office accommodation and vehicle fleet profiles;
- progress against past strategic audit recommendations;
- a review of central agency strategic and common decision-making processes; and
- government's environmental performance in respect of the government's Financial Reporting Directive (FRD24C) for 2007-08.

* **Erratum to Commissioner for Environmental Sustainability Annual Report 2008/2009 -**

On page 13, line 21 of the left hand column, there is a typographical error. The correct date is 8 December 2009.

Education

Education for sustainability

A statutory function of the Commissioner is to audit public education programs relating to ecologically sustainable development and advise the Minister for Environment and Climate Change as to the effectiveness of the programs in encouraging the community to adopt ecologically sustainable development principles and practices.

Due to the Commissioner's focus on delivery of the *SoE Victoria 2008* in late 2008, and promotion of the report and its findings in early 2009, work on education for sustainability was limited.

A review of options for advising the Minister on the effectiveness of education programs was carried out. This was informed by earlier work as well as the *SoE Victoria 2008*.

Consultation and Conferences

To encourage the strengthening of government's environmental performance and to raise the profile of sustainability in Victoria, the Commissioner and the Office spoke at and attended a variety of seminars and forums in 2008-09. The presentations were to a wide range of audiences. Highlights included *SoE Victoria 2008* presentations and attendance at international discussions on climate change and sustainability.

The Commissioner consulted widely with departmental Secretaries and agencies' Chief Executives, prior to submitting any reports of interest to them.

July

Dr McPhail was invited to speak on the challenges for Victoria's Public and Private sectors in building a 'sustainable state' for VECCI (Employers' Chambers and Commerce Industry).

August

Dr McPhail attended the Balaton Conference - "Creative Strategies for Sustainability Development" in Stockholm. The knowledge and networks gained at the international level provided supportive information to the *Living well within our environment* section of the *SoE Victoria 2008*.

An OCES staff member attended the Australian and New Zealand Climate Change Business Conference held in New Zealand.

December

Dr McPhail received a delegation from Guizhou Academy of Sciences (GZAS) of China. Meeting in Melbourne, the group and the Commissioner exchanged and shared their ideas and experience of environmental and ecosystem conservation.

Sustainable Transport

The OCES received funding from the Department of Transport (DoT) to further investigate and report on environmental impacts of public transport in Victoria for 2008-09.

In July 2008, the Commissioner released a position paper, *Public Transport's Role in Reducing Greenhouse Emissions*. This work also contributed to the production, consumption and waste materials section of the *SoE Victoria 2008*.

The transport paper contributed to the development by DoT of a suite of Sustainability Indicators to gauge the level of sustainability of Victoria's transport system.

December - April

Following the release of *SoE Victoria 2008*, Dr McPhail and OCES staff commenced a statewide promotional program for *SoE Victoria 2008* consisting of approximately 42 presentations, a range of lectures and several radio interviews. With the help of government agencies such as Catchment Management Authorities, the Commissioner and his staff presented the findings of the report to government peak bodies, community groups, non-government organisations and students.

March

Dr McPhail presented at Sustainable Cities Sustainable Transport Forum by Australian Fabians.

An OCES staff member attended the Climate Change Science Congress in Copenhagen. This trip also included visiting the Office of Government Commerce U.K. and the U.K Sustainable Development Commission and Natural England, and attending the United Nations Framework Convention on Climate Change meeting in Bonn, Germany as part of the Australian Government delegation (observer status).

April

Dr McPhail presented at the Public Land @ 5 million conference held at Albert Park, Melbourne. Dr McPhail was invited to speak about '*What is liveability, and what is one way in which Melbourne's public land can contribute to it?*'. Dr McPhail also discussed "*The state of Victoria's environment: public land with a purpose*".

Dr McPhail presented 'Transforming Victoria' at the Melbourne Planning Summit 2009 held at Federation Square, Melbourne.

The Commissioner's Reference Group

The Reference Group continued to meet throughout the year. This group provided advice and support to the Commissioner (Section 9(2)(b) *CES Act 2003*).

Dr McPhail's Reference Group for 2008-09 was chaired by co-chairs Dan Atkins and Kate Vinot.

Dr McPhail's Reference Group members in 2008-09 included:

Alex Arbuthnot is an irrigation dairy farmer from Nambrok, Gippsland. He is a former president of Victorian Farmers Federation and holds a number of directorships and advisory roles in Landcare Victoria. Alex has extensive experience in managing natural resources and has an ongoing commitment to supporting others working in this field.

Cheryl Batagol, Chairman of Melbourne Water, Deputy Chair of Sustainability Victoria and member of the Victorian Catchment Management Council, has 30 years experience in the waste management industry, including commercial, industrial and trade waste management. Cheryl is also a member of the Victorian Sustainability Advisory Council, a member of the Sustainability Fund Advisory Panel and a trustee of the Sustainable Melbourne Fund. Cheryl is a past board member of EcoRecycle Victoria, City West Water and Southern Rural Water.

Dan Atkins, (co-chair) Managing Director of Shaper Group has extensive domestic and international experience in sustainability particularly with corporate and government sectors in Asia, Europe and Australia. Dan's experience includes being the former Project General Manager of Environmental Affairs

for Toyota Australia. He was the founder and leader of Deloitte Touche Tohmatsu's Environmental Services Group in Australia and managed Deloitte's Global Centre of Excellence for Environmental and Sustainability Services in Copenhagen, Denmark. Dan is currently a PhD Candidate in Sustainable Industry with the RMIT University, Melbourne.

Dr Catherine Dale, CEO, City of Boroondara, has held a number of positions in local government as well as a number of strategic advisory roles. Catherine has broad managerial, planning and financial experience and a thorough understanding of local government operations and their relevance to communities.

Dr Gillian Sparkes is the Chief Executive Officer of Australian Sustainable Industry Research Centre (ASIRC). Gillian has 25 years experience working with industry on environmental and resource efficiency improvements. Gillian has held senior roles in the private and public sectors including the Environment Protection Authority (Victoria) and a regional urban water authority. Gillian has been dedicated to working on industrial environmental management and improvement initiatives.

Dr Sarah Bekessy, a senior lecturer in environmental studies and sustainability at RMIT University, specialising in the emerging field of sustainability science. Sarah has expertise in biodiversity management, environmental education and broad knowledge of sustainability issues.

Kate Vinot, (co-chair) Technical Director, Veolia Water Australia, is a civil engineer who has also completed Masters degrees in economics and business administration. Kate manages Veolia Water's corporate strategy, quality, OHS, sustainability, risk, business systems and technical management functions.

Kelly O'Shanassy is the Chief Executive Officer of Environment Victoria, the State's leading non-government voice on the environment. Kelly has an extensive background in sustainability and the environment. Kelly was author of Victoria's Framework for Environmental Sustainability and set the directions for Melbourne's future water supplies and conservation actions. Kelly established world-first environment protection policies for Victoria's water environments and maintains a strong voice for a sustainable Victoria.

Mick Murphy OAM is the Chairperson of Victorian Catchment Management Council (VCMC) The VCMC is the State Government's peak advisory body on catchment management. Council takes a statewide view on land, water and biodiversity issues and priorities related to catchment management. It facilitates integrated and coordinated catchment management through Victoria's Catchment Management Framework. Michael has 20 years experience in local government and as a water board engineer, including as a former Chair, Glenelg Hopkins Catchment Management Authority, Deputy Chair, Warrnambool Co-operative Society Ltd.

Patricia Caswell is a Founder and CEO of Caswell + Associates: Sustainability Experts. Patricia and her teams specialise in advising business and industry on sustainability issues of the day. Patricia has most recently been CEO of Victorian Association of Forest Industries (VAFI), from 2004 - 2007, developing the forest industry's policies and practices around sustainability. Previous positions include Executive Director of the Australian Conservation Foundation and Founding Director of the Global Sustainability Institute at RMIT.

Rob Gell is a geographer and specifically a coastal geomorphologist, having completed a Science Degree at Melbourne University in the early seventies. In addition to a well known television weather presenter, Rob Gell's professional life is working as an environmental and communications consultant. Rob is a Director of World Wind Pty Ltd, providing a wide range of environmental specialist advice in sustainable development to the private, community and government sectors.

Russell Higgins, Major Projects Manager Australia/Asia for Orica, has extensive knowledge and first hand experience of the trends and issues in the industry and business sectors, and how these interact with the community. Russell was nominated by the Victorian Employers Chamber of Commerce and Industry to provide an industry and business perspective to the Commissioner's Reference Group.

Dr Terry Walshe is Deputy Director of the Australian Centre of Excellence for Risk Analysis at the University of Melbourne. Terry's research and teaching explores the interface of social perceptions and scientific understanding in environmental risks and decisions.

Meeting attendance record of Reference Group members
2008-09.

Name	Attendance
Alex Arbuthnot	3 of 3
Cheryl Batagol	1 of 3
Dan Atkins	3 of 3
Dr Catherine Dale	1 of 3
Dr Gillian Sparkes	2 of 3
Dr Sarah Bekessy	1 of 3
Kate Vinot	2 of 3
Kelly O'Shanassy	3 of 3
Mick Murphy	2 of 3
Patricia Caswell	1 of 3
Rob Gell	2 of 3
Russell Higgins	0 of 3
Dr Terry Walshe	1 of 3

PERFORMANCE AGAINST KEY DELIVERABLES 2008-09

Priorities	Key Deliverables	Status
State of the environment (SoE) reporting	<ul style="list-style-type: none"> Undertake consultation with government entities and other key stakeholders by August 2008 	A draft Victorian SoE Report was prepared and distributed for consultation. The consultation phase (June 2008 - August 2008) included briefings for Government and other key stakeholders
	<ul style="list-style-type: none"> Complete drafting of the <i>SoE Victoria 2008</i> report for delivery to the Minister by October 2008 	The final report was prepared in consideration of comments received during consultation. The report was submitted to the Minister on 17 October 2008
	<ul style="list-style-type: none"> Develop design for print and web products 	<p>The design process commenced in July 2008. Final layout of the <i>SoE Victoria 2008</i> was completed in November 2008</p> <p>Webpage design occurred concurrently with the print design</p> <p>Webpages were populated using a combination of html text and pdf attachments of pages from the printed report</p> <p>Both print and web products were completed and available on the day of tabling in Parliament and for the official launch on 4 December 2008</p>
	<ul style="list-style-type: none"> Conduct a launch of the Report following tabling by the Minister in Parliament in early December 2008 	The <i>SoE Victoria 2008</i> was launched on 4 December 2008
	<ul style="list-style-type: none"> Publish the report on the Commissioner's website 	The report was published on the CES web site on 4 December 2008
	<ul style="list-style-type: none"> Deliver briefings on the report's key findings to a series of workshops to be held around Victoria by April 2009 	42 briefings were delivered to key stakeholders groups including Government Departments and Agencies, non government organisations, industry groups, the education sector and general public
	Strategic audit program including the review of the adoption of the ESF's directions by Government	<ul style="list-style-type: none"> Conduct the strategic audit and produce the report by January 2009
And Procurement Review	<ul style="list-style-type: none"> Plan for future strategic audits to include statutory agencies (the January 2009 strategic audit scope includes ResourceSmart pilot agencies) Prepare for the review to be undertaken in 2009-10 of government's progress in responding to CES's Government procurement reports (2006) in relation to vehicles and goods and services 	<p>The strategic audit included ten departments, two environment agencies and seven ResourceSmart pilot agencies</p> <p>The office developed options for the 2009-10 strategic audit including a review on procurement</p>

Priorities	Key Deliverables	Status
Education for Sustainability	<ul style="list-style-type: none"> Plan for commencement of a second stocktake of community education programs for sustainability 	Options paper prepared for consideration by the new Commissioner
Sustainable transport analysis	<ul style="list-style-type: none"> Research issues relating to the state of Victoria's environment and the environmental impacts of transport policy Analyse current policy and prepare reports on options for an environmentally sustainable transport system Provide analysis and advice on transport and related issues for inclusion in the <i>State of Environment</i> report 	<p>Research was undertaken on transport related environmental issues and included in <i>SoE Victoria 2008</i></p> <p>A position paper was released in July 2008 - 'Public Transport's Role in Reducing Greenhouse Emissions'</p>
Corporate obligations	<ul style="list-style-type: none"> Maintain and develop the CES website to ensure it remains an effective communication tool Submit 2007-08 annual report to the Minister by October 2008 Review Reference Group Develop and submit 2009-10 business plan and budget Publish statements and guidelines 	<p>Ongoing. The office began a review of the CES website in June 2009</p> <p>The 2007-08 Annual Report was submitted to the Minister by October 2008</p> <p>Reference Group membership was reviewed</p> <p>Draft business plan and budget prepared for 2009-10</p>
Enhance knowledge and understanding of environment	<ul style="list-style-type: none"> Deliver presentations to government, community and industry groups in line with objectives of the Act Foster effective relationships with key stakeholders to support efficient and effective delivery of statutory obligations External communications – public speaking, supporting objectives and sharing knowledge 	<p>A range of presentations were delivered in line with the objectives of the Act</p> <p>Ongoing</p> <p>Ongoing</p>

Major changes a factor affecting performance

There were no major changes or factors affecting the performance of the office during 2008-09.

OFFICE ENVIRONMENTAL PERFORMANCE

The Office integrates environmental sustainability into its decision making processes in line with Government's *Sustainability Action Statement, 2006* and the office's own environmental policy. It also advocates policies that focus on environmental sustainability and sustainable development.

A review of the OCES environmental strategy commenced in June 2009. The areas targeted include facilities, travel, procurement and paper.

The office's day-to-day operational environmental impacts include greenhouse gas emissions and resources used as a tenant in a leased office building for up to 15 staff. As the Office is co-located with DSE, it operates within the Department's EMS, which manages office-based activities related to water, energy and paper consumption, waste production, transport and purchasing.

The OCES occupies 224 square metres or 2% of the DSE tenancy at 570 Bourke Street, Melbourne. The office-based environmental performance data for energy and water usage has been sourced through DSE's Facilities Management Group and extrapolated for OCES staff and the floor space occupied by OCES.

The following information is based on the Government's Financial Reporting Directive (FRD) 24C, *Reporting of Office-Based Environmental Data by Government Departments*. OCES records have been used for waste, paper, procurement and paper use.

Energy

The significant variation between 2008-09 and 2006-07 relates to the office relocation.

The OCES energy data is measured in megajoules, obtained by a metering device which covers the entire DSE tenancy at 570 Bourke Street.

In 2008-09 Dr McPhail wrote to DSE about the actions being considered to further reduce energy and water use at 570 Bourke Street.

Water

The variation between 2008-09 and 2006-07 litres per FTE figure reflects the difference in the extrapolated water use for the space occupied by OCES between 570 Bourke Street and 8 Nicholson Street.

As a tenant in the multi-tenanted Bourke Street site, DSE has had limited opportunity to implement water saving actions compared to 8 Nicholson Street, where it is the sole tenant. DSE, in consultation with the building owner, is investigating opportunities to improve water use efficiency at 570 Bourke Street in line with strategic office accommodation planning.

Waste

The figure reported for 2008-09 is based on an internal waste audit conducted over 11 days in May 2009. The office-based waste is divided into three categories: landfill, compost and co-mingled recycling.

The OCES adheres to DSE's 'aWay with Waste' waste management program which allows for easy separation of waste into the three categories. The 'Green Collect' initiative also allows for objects such as printer cartridges, CDs, DVDs, batteries and mobile phones to be collected from kitchen areas for recycling.

Paper

For 2008-09 OCES staff used 152 reams of A4 paper. The variance in paper usage compared to the 2007-08 is due to the increased workload and outputs of the office in 2008-09 associated with finalising *State of the Environment (SoE) Victoria 2008*.

The OCES tracks its photocopy, print and fax paper on a weekly basis. Actions to reduce paper consumption included default double-sided printing, including booklet printing, and having a single multi-function device.

All of the Office's publications are available on-line but where hard copies are required, recycled stock and environmentally friendly printing processes are applied. For the printing of *SoE Victoria 2008*, recycled paper and vegetable ink was used.

Transport

In 2008-09 the Office undertook work related air travel and a relatively low number of vehicle trips. Staff travelled to and from work primarily by public transport or bicycle.

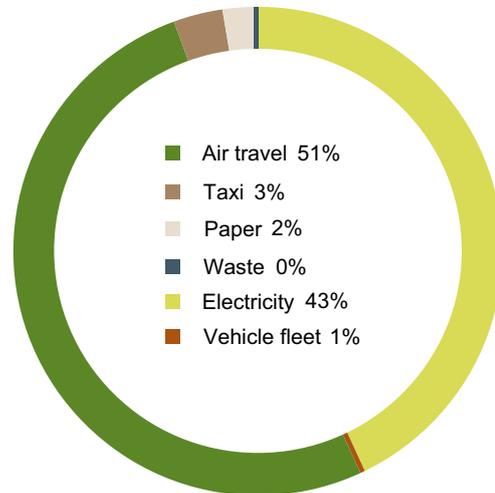
The OCES provides secure bicycle parking spaces for staff choosing to ride to work. Although entitled in 2008-09 the Commissioner chose not to have a vehicle under the Executive Car Scheme.

Staff are encouraged to walk or use public transport to travel to meetings. The office's environmental strategy review includes a travel action plan that will encourage the use of alternatives to travel, such as teleconferencing.

Procurement

Staff are required to consider the environmental impacts of their procurement choices. The Office worked closely with its suppliers in its contract specifications to ensure environmental credentials and recruitment promotes environmental sustainability objectives. For example, the selected supplier for the printing of *SoE Victoria 2008* had their own environmental management system in place which included the use of solar power.

Greenhouse Gas Emissions



The chart above represents OCES carbon footprint. Emissions calculations provided by Climate Friendly Australia.

Residual emissions were offset through an accredited offset program.

Objectives and Targets

The revision of the OCES environmental strategy, currently underway, will set objectives and targets through action plans. This is based on the ResourceSmart environmental strategy template.

The strategy will include an action plan for facilities and targeting further discussions with DSE on environmental performance improvements at 570 Bourke Street.

FRD 24C – Indicators

Note: n/a indicates 'not available'. In 2005-06 and 2006-07 OCES was located at 8 Nicholson Street

Indicator	Consumption Units	2008-09	2007-08	2006-07	2005-06	
Energy						
E1	Total Energy Usage segmented by primary source (including Green Power)	Megajoules	99,897¹	127,512	66,910	62,120
E2	Greenhouse Gas Emissions associated with energy use, segmented by primary source	Tonnes CO ₂ -e	21.81²	27.84	24.65	25.3
E3	Percentage of electricity purchased as Green Power	% of total electricity consumption	40%	40%	30%	14%
E4	Units of Office Energy Used per FTE (including Green Power)	Megajoules / FTE	12,847³	9,108	4,779	5,647
E5	Units of Office Energy Used per unit of Office Space	Megajoules / m ²	446	569	297	289
Waste						
Ws1	Total units of waste	Kilograms	456.1	1122	657.5 (recycled only)	607.71 (recycled only)
Ws2	Units of office waste disposed of per FTE	Kilograms/FTE	86	80	66	76
Ws3	Recycling rate ⁵	% of total waste	98%	92%	82%	n/a
Ws4	Greenhouse Gas Emissions associated with waste disposal	Tonnes CO ₂ -e	0.1⁶	0.10	n/a	n/a
Paper						
P1	Total units of A4 equivalent copy paper used	Reams	152	114	91	101
P2	Units of A4 equivalent copy paper used per FTE ⁷	Reams/FTE	19	8	6.5	9.4
P3	Percentage of recycled paper purchased containing 75%-100% recycled content	%	98.7	91	n/a	n/a
Water						
W1	Total units of metered water consumption by water source	Kilolitres	158.6⁸	192	167	n/a
W2	Units of metered water consumed in offices per FTE by usage type	Litres/FTE	19,825	13,743	11,980	n/a
W3	Units of metered water consumed in offices per unit of office space	Litres/m ²	708	859	n/a	n/a

Indicator	Consumption Units	2008-09	2007-08	2006-07	2005-06	
Transportation						
T1	Total energy consumption by vehicle	Megajoules	3547⁹	752	1930	3694
T2	Total vehicle travel associated with entity operations segmented by vehicle type ¹⁰	Kilometres	1,533.5	459	1,280	2,455
T3	Total greenhouse Gas Emissions from vehicle fleet segmented by vehicle type	Tonnes CO ₂ -e	0.26	0.05	0.13	0.24
T4	Greenhouse Gas Emissions from vehicle fleet per 1000km segmented by vehicle type	Tonnes CO ₂ -e/1,000km	0.17	0.11	0.10	0.10
T5	Total distance travelled by air	kilometres	80,660	30,211	31,533	n/a
T6	Employees who regularly use public transport, cycling, walking or car pooling to and from work ⁴	% of total employees	89%	93%	93%	91%
Greenhouse Gas Emissions						
G1	Total Greenhouse Gas Emissions associated with energy use	Tonnes CO ₂ -e	21.81	27.84	24.65	25.3
G2	Total Greenhouse Gas emissions from vehicle fleet	Tonnes CO ₂ -e	0.26	0.05	0.13	0.24
G3	Total Greenhouse Gas emissions from air travel	Tonnes CO ₂ -e	23.95¹¹	9.88	n/a	n/a
G4	Total Greenhouse Gas emissions associated with waste disposal	Tonnes CO ₂ -e	0.1	0.10	n/a	n/a
G5	Greenhouse Gas emissions offsets purchased ¹²	Tonnes CO ₂ -e	50.6	39.96	29.9	n/a
G6	Any other known GHG emissions associated with other activities	Tonnes CO ₂ -e	2.7¹³	0.543	n/a	n/a

Footnotes

- 1 Data provided by DSE. 2008-09 energy use data excludes a shared data centre, which was included in 2007-08 energy use data.
- 2 Emissions calculated using DSE FRD24C reporting calculator.
- 3 Figures based on 8 Full Time Equivalents (FTEs) at 30 June 2009 (OCES had up to 15 staff during 2008-09).
- 4 Sourced through a one week OCES staff travel survey conducted in May 2009.
- 5 Recycling includes co-mingled and compost.
- 6 Emissions calculated using Climate Friendly calculator.
- 7 100% of A4 paper stock contains 75%-100% recycled content. All A3 paper contains under 75% recycled content.
- 8 Water figure provided by DSE based on Multiplex Services Pty Ltd billing data. Figure is whole building use and has been pro-rated for 2008-09.
- 9 Increase in vehicle travel due to state wide presentations for SoE Victoria 2008.
- 10 Does not include taxi travel (however taxi travel offset retrospectively at the end of the financial year).
- 11 Variance is due to increased air travel in 2008-09.
- 12 Offsets purchased through Climate Friendly Australia.
- 13 GHG associated with paper production and taxi travel as calculated by Climate Friendly Australia.

FIVE YEAR FINANCIAL SUMMARY

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
Government contributions	1,545,652	1,485,380	1,131,993	1,472,770	1,674,965
Total revenue	1,545,652	1,485,380	1,131,993	1,472,770	1,674,965
Corporate, Administration & Projects	328,990	532,777	613,531	807,463	1,011,819
State of Environment Report	1,075,860	838,298	423,183	444,736	475,000
Strategic EMS Audit	140,802	120,067	93,269	220,571	172,000
Total expenditure	1,545,652	1,491,142	1,129,983	1,472,770	1,658,819
Non-current assets	0	0	0	3,207	0
Current assets	244,622	292,767	260,240	223,215	235,931
Total assets	244,622	292,767	260,240	226,422	235,931
Non-current liabilities	12,495	19,237	20,906	23,092	10,740
Current liabilities	232,453	273,856	233,898	199,904	225,191
Total liabilities	244,948	293,093	254,804	222,996	235,931

The Commissioner for Environmental Sustainability is established under the *Commissioner for Environmental Sustainability Act, 2003*.

There were no significant changes in the 2008-09 financial position compared to 2007-08.

Note: The financial statements for the year ended 30 June 2008 have been corrected to reflect the resources received free of charge consistent with 2008-09.

FINANCIAL REPORT - 30 JUNE 2009

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This financial report covers the Commissioner for Environmental Sustainability as an individual entity and is presented in the Australian currency.

The Commissioner for Environmental Sustainability is a independent, statutory office of the State of Victoria. Its principal address is:

Commissioner for Environmental Sustainability
570 Bourke Street
Melbourne VIC 3000

A description of the nature of the Commissioner's operations and its principal activities is included in the Report of Operations.

The financial report was authorised for issue by the Commissioner, Dr Kate Auty and Manager Business and Projects, Anne Ward on 9 September 2009.

For queries in relation to our financial reporting please call 13 61 86, or visit our website www.ces.vic.gov.au.

Commissioner for Environmental Sustainability
 Comprehensive operating statement
 For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Income from transactions			
Output appropriations	1(f), 12	1,395,840	1,329,000
Fair value of services received free of charge or for nominal consideration	1(f), 2(a)	149,812	156,380
Total income from transactions		1,545,652	1,485,380
Expenses from transactions			
Employee benefits	1(g), 3(a)	(1,055,654)	(1,028,471)
Other operating expenses	1(g), 3(b)	(489,998)	(462,671)
Total expenses from transactions		(1,545,652)	(1,491,142)
Net result from transactions (net operating balance)		0	(5,762)
Net result from continuing operations		0	(5,762)
Comprehensive result		0	(5,762)

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet
As at 30 June 2009

	Notes	2009 \$	2008 \$
Assets			
Financial Assets			
Receivables	1(i), 4, 10	244,622	292,767
Total financial assets		244,622	292,767
Total assets		244,622	292,767
Liabilities			
Payables	1(j), 5, 10	30,483	61,858
Provisions	1(j), 6	214,465	231,235
Total liabilities		244,948	293,093
Net assets		(326)	(326)
Equity			
Accumulated surplus/(deficit)		(3,752)	(3,752)
Contributed capital	1(k)	3,426	3,426
Total equity		(326)	(326)
Contingent liabilities and contingent assets	1(n), 8		
Commitment for expenditure	1(o), 9		

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the financial year ended 30 June 2009

	Notes	Equity at 1 July 2008	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2009
		\$	\$	\$	\$
Accumulated surplus/(deficit)		(3,752)	0	0	(3,752)
Contributions by Owners		3,426	0	0	3,426
Total equity at end of financial year		(326)	0	0	(326)

	Notes	Equity at 1 July 2007	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 30 June 2008
		\$	\$	\$	\$
Accumulated surplus/(deficit)		2,010	(5,762)	0	(3,752)
Contributions by Owners		3,426	0	0	3,426
Total equity at end of financial year		5,436	(5,762)	0	(326)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement
For the financial year ended 30 June 2009

	Notes	2009 \$	2008 \$
Cash flows from operating activities			
Receipts			
Receipts from government		1,565,834	1,137,801
Receipts from other entities		27,825	8,063
GST recovered from ATO		138	0
Total receipts		1,593,797	1,145,864
Payments			
Payments to suppliers and employees		(1,593,797)	(1,145,812)
GST paid to ATO		0	(52)
Total payments		(1,593,797)	(1,145,864)
Net cash provided from operating activities	11	0	0
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and cash equivalents at the beginning of the financial year		0	0
Cash and cash equivalents at the end of the financial year		0	0

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements
30 June 2009

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Note 1. Summary of accounting policies

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

In complying AASs, the entity has, where relevant, applied those paragraphs applicable to not-for-profit entities.

(b) Scope and presentation of financial statements

Early adoption of AASB 101 (September 2007)

As a result of a state wide policy to improve consistency in public sector reporting, the entity has revised the presentation of its complete set of financial statements to align with the AASB 1049 presentation format, used in the Financial Report for the State and the general government sector. In addition, the entity has also early adopted the September 2007 version of AASB 101.

In keeping with AASB 101 (September 2007) this complete set of financial statements includes the following changes:

(i) the notion of:

- 'a complete set of financial statements' rather than using 'financial report';
- 'changes in equity' rather than 'movements in equity'; and
- 'transactions with owners in their capacity as owners' rather than 'transactions with owners as owners'.

(ii) references to equity holders as owner.

Some of the changes applied to the financial statements and notes as a result of alignment to AASB 1049 that are allowable under the AASB 101 (September 2007) include the following:

- extended operating statement incorporating non owner changes in equity, which is now referred to as comprehensive operating statement;
- items being presented by liquidity order in the balance sheet;
- the inclusion of a limited number of Government Finance Statistics (GFS) classifications, such as income or expenses from transactions, and other economic flows; and
- a glossary of terms included in the notes explaining certain terms, including GFS terms adopted.

Comprehensive operating statement

The comprehensive operating statement includes items previously included in the statement of changes in equity.

Income and expenses in the comprehensive operating statement are separated into either 'transactions' or 'other economic flows'. For consistency, the comparative figures for financial year ended 30 June 2008 have been reclassified under the same basis.

Balance sheet

Items of assets and liabilities in the balance sheet are:

- ranked in liquidity order;
- aggregated into financial and non financial assets;
- classified according to GFS terminology, but retain measurement and disclosure rules under existing accounting standards applicable to the Commissioner; and
- current versus non current assets and liabilities are disclosed in the notes where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non owner and owner equity opening balance at the beginning of the year to the closing balance at the end of the year, showing separately movements due to amounts recognised in the comprehensive result and amounts recognised in equity related to transactions with owners in their capacity as owners.

Cash flow statement

The cash flow statement classifies flows by operating, investing and financing activities in accordance with AASB 107 Cash Flow Statements. There were no significant changes due to alignment of the entity's financial statements presentation formats to AASB 1049

(c) Reporting entity

The financial statements include the controlled activities of the Commissioner for Environmental Sustainability. The entity was established on 6 November 2003 via the Commissioner for Environmental Sustainability Act 2003. Its principal address is:

Commissioner for Environmental Sustainability
Level 16, 570 Bourke Street
Melbourne, Victoria 3000

Objectives and funding

The Commissioner's statutory objectives are to:

- Report on matters relating to the natural environment of Victoria
- Encourage decision making that facilitates ecologically sustainable development
- Enhance knowledge and understanding of ecologically sustainable development and the environment, and
- Encourage sound environmental practices and procedures to be adopted by the Government of Victoria and by local governments as a basis for ecologically sustainable development.

The Commissioner is funded by accrual based Parliamentary appropriations for the provision of outputs through the Department of Sustainability and Environment.

(d) Events after reporting date

Assets, liabilities, revenues or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the entity and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to condition which arose after the reporting date and which may have a material impact on the results of subsequent years.

(e) Goods and services tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow. Commitments and contingent assets or liabilities are presented on a gross basis.

(f) Income from transactions

Output appropriations

Revenue from the outputs the Commissioner provides to Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

Fair Value of services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the contributed asset qualifies for recognition, unless received from a government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at carrying value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

(g) Expenses from transactions

Employee benefits

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Superannuation

The amount charged to the comprehensive operating statement in respect of superannuation represents the contributions made by the entity to the relevant superannuation funds in respect to the services of current staff based on the relevant rules of the plan. No liability is shown for superannuation in the balance sheet as the Department of Treasury and Finance assume the liability. The current year employer contribution for superannuation payments on behalf of the Commissioner's employees is disclosed in Note 7 - Superannuation.

Other Operating Expenses

Supplies and services

Supplies and services expenses generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the entity. These items are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution is expensed when distributed.

(h) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

(i) Financial assets

Receivables

Receivables consist predominantly of the entity's SAU balance and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

(j) Liabilities

Payables

Payables represent liabilities for goods and services provided to the entity that are unpaid at the end of the financial year.

Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost. Fair value is determined in the manner described in Note 10 – Financial instruments.

Payables consist predominantly of creditors and other sundry liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee benefits

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) *Long service leave*

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

Current liability - unconditional LSL (representing 7 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where the entity 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:

- present value – component that the entity does not expect to settle within 12 months; and
- nominal value - component that the entity expects to settle within 12 months.

Non-current liability – conditional LSL (representing less than 7 years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

Onerous contracts

An onerous contract is considered to exist where the entity has a contract under which the unavoidable cost of meeting the contractual obligations exceeds the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

(k) Equity

Contributions by owners

For additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

(l) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. The Commissioner for Environmental Sustainability has assessed that these changes have not affected the entity's reporting requirements for the reporting period ending 30 June 2009.

(n) Contingent liabilities and contingent assets

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively. These are disclosed in Note 8 – Contingent liabilities and contingent assets.

(o) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancelable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable. These are disclosed in Note 9 – Commitments for expenditure.

(p) Comparative amounts

Where practicable, comparative amounts are presented and classified on a basis consistent with the current year. A number of comparatives have been re-classified in line with the early adoption of *AASB 101 – Presentation of Financial Statements* and the resultant reclassification of items from GAAP/GFS convergence and the adoption of *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

Note 2. Income from transactions

	2009	2008
	\$	\$
(a) Fair value of services received free of charge or for nominal consideration:		
Services (including rent, office equipment and IT services)	149,812	156,380
Total fair value of assets and services received free of charge or for nominal consideration	149,812	156,380

Note 3. Expenses from transactions

	2009	2008
	\$	\$
(a) Employee benefits		
Salary and wages	(781,110)	(751,018)
Superannuation	(68,750)	(72,763)
Leave expenses	(135,631)	(134,110)
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	(70,163)	(70,580)
Total employee benefits	(1,055,654)	(1,028,471)
(b) Other operating expenses		
Supplies and services:		
Contract and professional services	(136,561)	(231,061)
Postage and Telephone	(8,851)	(5,876)
Office Expenses	(81,196)	(29,395)
IT Costs	(29)	(1,554)
Motor Vehicle Costs	0	(336)
Travel and Subsistence	(38,725)	(22,329)
General expenses	(32,989)	12,328
Learning and Development Costs	(29,482)	(12,310)
Payments for Shared Services	(42,112)	0
Community Awareness and Publicity	(9,290)	(6,663)
Office and accommodation	(100,034)	(160,654)
Total supplies and services	(479,269)	(457,850)
Operating lease rental expenses:		
Minimum lease payments - operating leases	0	(2,987)
Total operating lease rental expenses	0	(2,987)
Subtotal	(479,269)	(460,837)
Cost of goods sold/distributed	(10,729)	(1,834)
Total other operating expenses	(489,998)	(462,671)

Note 4. Receivables

	2009 \$	2008 \$
Current receivables		
<i>Contractual</i>		
Trade receivables	0	27,825
	0	27,825
<i>Statutory</i>		
Amounts owing from Victorian Government ⁽ⁱ⁾	243,529	263,711
GST input tax credit recoverable	1,093	1,231
	244,622	264,942
Total current receivables	244,622	292,767
Total receivables	244,622	292,767

(i) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

Note 5. Payables

	2009 \$	2008 \$
Current payables		
<i>Contractual</i>		
Trade creditors ⁽ⁱ⁾	3,895	25,104
Other Accrued expenses	24,214	33,029
Other (includes fringe benefits tax, payroll tax, and superannuation payable) ⁽ⁱ⁾	1,515	2,115
	29,624	60,248
<i>Statutory</i>		
Taxes Payable	859	1,610
	859	1,610
Total current payables	30,483	61,858
Total payables	30,483	61,858

(i) The average credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into.

(a) Nature and extent of risk arising from payables

Refer to Note 10 for the nature and extent of risks arising from payables.

Note 6. Provisions

	2009 \$	2008 \$
Current provisions		
Employee benefits ⁽ⁱ⁾ (Note 6(a))		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	167,029	173,838
	167,029	173,838
Provisions related to employee benefit on-costs:		
Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	34,941	38,160
	34,941	38,160
Total current provisions	201,970	211,998
Non-current provisions		
Employee benefits ⁽ⁱ⁾ (Note 6(a))	10,333	15,774
Provisions related to employee benefit on-costs	2,162	3,463
Total non-current provisions	12,495	19,237
Total provisions	214,465	231,235

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

	2009 \$	2008 \$
Current employee benefits		
Nominal value of unconditional annual leave entitlements ⁽ⁱⁱ⁾	28,342	32,206
Nominal value of unconditional long service leave entitlements ⁽ⁱⁱ⁾	138,687	141,632
Present value of unconditional annual leave entitlements ⁽ⁱⁱⁱ⁾	0	0
Present value of unconditional long service leave entitlements ⁽ⁱⁱⁱ⁾	0	0
	167,029	173,838
Non-current employee benefits		
Conditional long service leave entitlements	10,333	15,774
Total employee benefits	177,362	189,612
Current on-costs	34,941	38,160
Non-current on-costs	2,162	3,463
Total on-costs	37,103	41,623
Total employee benefits and related on-costs	214,465	231,235

Notes:

- (i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present values.

Long service leave

	2009	2008
Weighted average rates of increase in annual employee benefits to settlement of the liabilities	4.45%	4.75%
Weighted average discount rates	5.50%	6.6%
Weighted average terms to settlement of the liabilities	12 Years	12 Years

(b) **Movement in provisions**

	On-costs	Total
	2009	2009
Opening balance	41,623	41,623
Additional provisions recognised	0	0
Reductions arising from payments/other sacrifices of future economic benefits	(4,520)	(4,520)
Reductions resulting from re-measurement or settlement without cost	0	0
Unwind of discount and effect of changes in the discount rate	0	0
Other	0	0
Closing balance	37,103	37,103
Current	34,941	34,941
Non-current	2,162	2,162
	37,103	37,103

Note 7. Superannuation

Government Employees' Superannuation Fund

Employees of the Commissioner are entitled to receive superannuation benefits and the Commissioner contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

No liability is recognised in the balance sheet for the Commissioner's share of the State's unfunded superannuation liability. The State's unfunded superannuation liability has been reflected in the financial statements of the Department of Treasury and Finance.

The Commissioner does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements.

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

The name and details of the major employee superannuation funds and contributions made by the entity are as follows:

Fund	Paid contribution for the year 2009	Paid contribution for the year 2008	Contribution outstanding at year end 2009	Contribution outstanding at year end 2008
Emergency Services Superannuation Scheme	9,211	8,002	0	0
Victorian Superannuation Fund – Vic Super Scheme	48,637	58,971	0	0
Various other	10,902	5,790	0	0
	68,750	72,763	0	0

The bases for contributions are determined by the various schemes.

All employees of the entity are entitled to varying levels of benefits on retirement, disability or death. Some superannuation plans provide defined benefits based on years of service and final average salary. The others are classified as contribution schemes. Contributions by the entity of a minimum of 9% of employee's wages and salaries are legally enforceable on the entity.

The above amounts were measured as at 30 June of each year or in the case of employer contributions they relate to the years ended 30 June.

Note 8. Contingent liabilities and contingent assets

There are no contingent liabilities or assets (2008: Nil)

Note 9. Commitments for expenditure

There are no commitments for expenditure (2008: Nil)

Note 10. Financial instruments

(a) Financial risk management objectives and policies

The organisation's principal financial instruments comprise of:

- receivables (excluding statutory receivables);
- payables (excluding statutory payables);

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

The main purpose in holding financial instruments is to prudentially manage the organisation's financial risks within the Government policy parameters.

The carrying amounts of the entity's financial assets and financial liabilities by category are in the following table:

Categorisation of financial instruments

	Notes	Category	Carrying Amount 2009 \$	Carrying Amount 2008 \$
Financial assets				
Receivables	4	Receivables at amortised cost	0	27,825
Total financial assets			0	27,825
Financial liabilities				
Payables	5	Financial liabilities measured at amortised cost	29,624	60,247
Total financial liabilities			29,624	60,247

(b) Credit risk exposures

Credit risk arises when there is the possibility of the entity's debtors defaulting on their contractual obligations resulting in financial loss to the entity. The entity measures credit risk on a fair value basis and monitors risk on a regular basis.

Credit risk associated with the entity's financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, it is the entity's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, the entity does not engage in high risk hedging for its financial assets and mainly acquires financial assets that are on fixed interest.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

The carrying amount of financial assets recorded in the financial report, net of any allowances for losses, represents the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Financial assets that are either past due or impaired

Currently the entity does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets are impaired.

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

(c) Liquidity risk

Liquidity risk arises when the organisation is unable to meet its financial obligations as they fall due. The organisation operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. Risk is managed through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

(d) Market risk

The entity's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks.

(e) Fair value

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

- the fair value of financial assets and financial liabilities with standard terms, conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The entity considers the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 11. Notes to Cash flow Statement

Reconciliation of net result for the reporting period to net cash inflow from operating activities	2009 \$	2008 \$
Net result for the reporting period	0	(5,762)
Movements in assets and liabilities		
Decrease in receivables	48,145	(32,528)
Increase in payables	(31,375)	30,247
(Decrease)/increase in provisions	(16,770)	32,543
Increase in other liabilities	0	(24,500)
Net cash inflow from operating activities	0	0

Note 12. Summary of compliance with annual parliamentary appropriations

(a) Total controlled appropriations applied

Provision of output		
Annual Parliamentary Appropriations	1,395,840	1,329,000
Total provision of output appropriations applied	1,395,840	1,329,000

Note 13. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the department are as follows:

Minister for Environment and Climate Change	The Hon. Gavin Jennings MP	1 July 2008 to 30 June 2009
Commissioner for Environmental Sustainability	Dr Ian McPhail	1 July 2008 to 5 May 2009
Commissioner for Environmental Sustainability	Dr Kate Auty	19 June 2009 to 30 June 2009

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the range:

	2009 No.	2008 No.
Income band		
\$180,000 – 189,999	0	1
\$190,000 – 199,999	1	0

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

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Note 14. Remuneration of auditors

	2009 \$	2008 \$
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Amounts received, or due and receivable, by the Victorian Auditor General's Office for the audit of the entity's financial report:

Paid as at 30 June	0	0
Payable as at 30 June	5,600	5,100
	5,600	5,100

Note 15. Subsequent events

The entity is not aware of any other circumstances that have arisen, or information that has become available between 30 June 2009 and the date of final approval of this general purpose financial report that qualifies for inclusion as a post balance date event.

Note 16. Correction of Prior Year Errors

The errors as described below have been corrected by restating each of the affected financial statement line items for the prior year.

Resources received free of charge

In the financial statements for the year ended 30 June 2008 the amount of services received free of charge had not reflected a corresponding equal amount in expenses for the Commissioner's activities in the Operating Statement.

The impact of the error is:

2007-08

- an understatement of other operating expenses of \$156,380
- an overstatement of receivables of \$156,380

Note 17. Glossary of Terms

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Commitments

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

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - 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:
 - 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
 - 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 statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (Sept 2007), which means it may include the main financial statements and the notes.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

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

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Payables

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

Receivables

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

Supplies and services

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

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within 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.

Accountable Officer's declaration

We certify that the attached financial statements for the Commissioner for Environmental Sustainability have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards 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, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2009 and financial position of the entity at 30 June 2009.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial report for issue on 9 September 2009

Dr Kate Auty
Commissioner for Environmental Sustainability



Melbourne
9 September 2009

Anne Ward
Manager Business and Projects



Melbourne
9 September 2009



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Commissioner for Environmental Sustainability

The Financial Report

The accompanying financial report for the year ended 30 June 2009 of the Commissioner for Environmental Sustainability which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's declaration has been audited.

The Commissioner's Responsibility for the Financial Report

The Commissioner for Environmental Sustainability is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial report.

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

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report published in both the annual report and on the website of the Commissioner for Environmental Sustainability for the year ended 30 June 2009. The Commissioner for Environmental Sustainability is responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Commissioner for Environmental Sustainability website.

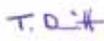
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Commissioner for Environmental Sustainability as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
18 September 2009

for 
D D R Pearson
Auditor-General

Statements Of Legislative Requirements

The OCES's administration in areas of financial management and account management, industrial relations, human resources and administrative procedures are provided by DSE and governed by DSE systems, controls and procedures.

The OCES adopts best practice disclosure policies and ensures that it discharges its accountability obligations, where relevant.

Consultancies

No consultancies were entered into during the reporting period costing in excess of \$100,000 (exclusive of GST). No consultancies were entered into during the reporting period costing less than \$100,000 (exclusive of GST).

Major contracts

The Commissioner did not enter into any contracts greater than \$10 million in value during the reporting period.

National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience simply as a result of government ownership, should be neutralised. The OCES continues to implement and apply this principle in its business undertakings.

Overseas Travel

Overseas travel was undertaken in the reporting period.

The Commissioner attended the Balaton Conference in Stockholm, Sweden in August 2008. An OCES staff member attended the United Nations Climate Change Science Congress in Copenhagen, Denmark and the United Nations Framework Convention on Climate Change meeting in Bonn, Germany. This attendance included a meeting with the Office of Government Commerce U.K. and the U.K Sustainable Development Commission and Natural England in the United Kingdom (March to April 2009).

Community Inclusiveness

The Commissioner is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. During 2008-2009 the CES endeavoured to include women, young people, indigenous people and people from culturally and linguistically diverse backgrounds including through staff development and in the preparation of the *SoE Victoria 2008*. The Commissioner spoke at a variety of public seminars and forums reaching a range of community groups including presentations on the *SoE Victoria 2008* report. In 2008-2009 the OCES participated in programs to place university students in the workplace through the Monash University Greensteps Program.

Whistleblowers Protection Act 2001

The *Whistleblowers Protection Act 2001* aims to encourage officers to disclose improper conduct by departments and public entities by giving clear contacts for making disclosures and making it an offence to expose the name of the whistleblower or subject them to any punitive action.

No disclosures were made under this Act during the reporting period.

Further information is available from the Victorian Ombudsman's website at www.ombudsman.vic.gov.au.

Declaration of Private Interests

Declaration of Private Interest statements have been completed by all relevant staff.

Equal Employment Opportunity

The OCES is committed to the principles of merit and equity in human resource management. All appointments conducted during the reporting period were based on competitive selection processes. Staff members receive appropriate training and experience to enhance their skills in a number of ways relevant and meaningful to the Commissioner's activities and responsibilities.

The Commissioner's staff are employed under the *Public Administration Act 2004*. This Act specifies a number of employment and conduct principles that must be observed by public sector organisations and their employees.

Employers must ensure:

- Decisions are based on merit;
- Employees are treated fairly and reasonably;
- Equal employment opportunity is provided; and
- Reasonable avenues of redress against unfair or unreasonable treatment.

Employees must:

- Act with impartiality;
- Display integrity, including avoiding real or apparent conflicts of interest;
- Show accountability for actions; and
- Provide responsive service.

Workforce data at 30 June 2009

	2008-09	2007-08	2006-07
Executive Officers (greater than \$100,000)	1*	1	1
Director	1	1	1
Executive Support	1	1	1
Program and operational staff	5	11	9
Male	2	6	5
Female	6	8	7
Total	8	14	12

* Dr Ian McPhail's term finished on 5 May 2009. Dr Kate Auty was appointed on 19 June 2009. Dr Kate Auty commenced on 6 July 2009.

The OCES is supported by DSE to provide business systems and administrative support which includes the Office's accommodation, IT services, financial and human resources support.

Occupational health and safety

The CES is required to comply with occupational health and safety (OH&S) requirements and is of paramount importance in our workplace. The DSE OH&S program extends to include the OCES and during the reporting period the staff participated in DSE's OH&S program.

Human rights

In early 2008, the DSE undertook statewide training for its own staff and extended an invitation to staff in portfolio statutory authorities. Information on the operation of the Human Rights Charter was also provided to all of the department's boards of management. An online human rights training module which will be included in the online orientation program for new staff is being developed. All departmental orientation and induction courses will also incorporate human rights training in the future.

Industrial relations

The OCES staff are employed under the *Victorian Public Service Agreement 2006*. There was no time lost due to accidents or industrial disputes.

Reference Group

Under Section 9 2(b) of the *Commissioner for Environmental Sustainability Act 2003*, the Commissioner has established a Reference Group. In collaboration with DSE, all the required processes and checks were completed.

Freedom of information

The *Freedom of Information Act* 1982 allows public access to documents held by government entities.

The OCES is considered to be a "Government Agency" under the *Freedom of Information Act 1982* and is required to comply with the procedures that have been prescribed under which members of the public may gain access to documents held by agencies. A decision to release documents is made by an Authorised Officer. The OCES has determined that its Authorised Officer is the DSE's Manager Cabinet Services & FOI, Mr Luke Brown (03) 9637 8585.

An application fee of \$23.40 applies at the time of this report's publication. In the 2008-09 reporting period there were no requests for information under the FOI.

Publications

The Commissioner's publications and reports are available on the Commissioner's website www.ces.vic.gov.au. Further information may be provided by contacting the Commissioner for Environmental Sustainability: phone (03) 8636 2197.

Subsequent events which will affect operations in future years

No other potential events affecting operations have been identified to date.

Compliance with building and maintenance provisions of *Building Act 1993*

The OCES doesn't own or control its building facilities and therefore exempt from notification of the building and maintenance provisions of the *Building Act 1993*.

Statement of availability of other information

Information relevant to Financial Reporting Direction 22B of the FMA 1994 is held at the OCES office and is available on request, subject to the *Freedom of Information Act 1982*.

Victorian Industry Participation Policy (VIPP)

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the VIPP. VIPP applies to tenders over \$3m in metropolitan Melbourne and \$1m in regional Victoria.

The OCES did not enter into any contracts or grants that were greater than \$3m in value in the reporting period. As such, the VIPP does not apply.

Risk management

Managing risk is an important component of CES operations and forms part of the CES annual business planning process. For 2008-09, the OCES reviewed risks that may impact on the timely delivery of the key outputs planned for that period. 2008-09 was a critical time for the Office in finalising the development of Victoria's first comprehensive SoE Report. A comprehensive risk assessment was undertaken, with DSE support, for the SoE project. Administrative systems such as financial, information technology, payroll, registry, OH&S, procurement and facilities are provided by DSE and the Government's Shared Business Systems.

Independent oversight of the Commissioner's operations include:

- financial control provided through the use of DSE systems and processes
- annual audits by the Victorian Auditor General's Office
- tabling progress reports for each of the Commissioner's functions at the Commissioner's Reference Group meetings

I, Dr Kate Auty certify that the Office of the Commissioner for Environmental Sustainability has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

I, as the Commissioner for Environmental Sustainability, verify that this assurance and that the risk profile of Office of the Commissioner for Environmental Sustainability has been critically reviewed within the last 12 months.



Dr Kate Auty
Commissioner for Environmental Sustainability
Melbourne 2009

Disclosure Index

The 2008-09 Annual Report of the Commissioner for Environmental Sustainability is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the authorities' compliance with statutory disclosure requirements.

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The Commissioner for Environmental Sustainability and the office are committed to reducing their resource use.

This publication is printed on 100% recycled paper.

It is also available electronically from the Commissioner's website. If you no longer need this copy, please consider returning it to the Commissioner's office.

Always remember to 1. Reduce, 2. Reuse, 3. Recycle

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