



Commissioner
for Environmental
Sustainability
Victoria



Annual Report 2019-20

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Authorised by the Victorian Commissioner for
Environmental Sustainability
Level 36, 2 Lonsdale Street, Melbourne,
Victoria 3000

For further information email the Commissioner
for Environmental Sustainability at
info.ces@ces.vic.gov.au or visit
<http://www.ces.vic.gov.au>

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CONTENTS

Traditional Owners	4
REPORT OF OPERATIONS	5
Abbreviations	5
Responsible Body Declaration (Standing Direction 5.2.3).....	6
Commissioner for Environmental Sustainability Financial Management Compliance Attestation Statement (Standing Directions 5.1.4 & 5.2.1(a)).....	6
Year in review	7
Performance reporting: non-financial (FRD 22H)	16
CES objectives, indicators and linked outputs for 2019-20	17
Reporting progress towards achieving objectives in the report of operations (FRD 22H)	19
Performance report: Financial (FRD 22H)	21
COMMISSIONER FOR ENVIRONMENTAL SUSTAINABILITY Financial Statements (SD 5.2.1(B))	38
INDEPENDENT AUDITOR’S REPORT: VAGO	72
Disclosure index	74

TRADITIONAL OWNERS

The Commissioner for Environmental Sustainability proudly acknowledges Victoria's Aboriginal community and their rich culture and pays respect to their Elders past and present.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land and water on which we rely. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us.

We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

REPORT OF OPERATIONS

Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
CeRDI	Centre for eResearch and Digital Innovation
CES	Commissioner for Environmental Sustainability, Victoria
CES Act	<i>Commissioner for Environmental Sustainability Act 2003</i>
CRG	Commissioner's Reference Group
DELWP	Victorian Department of Environment, Land, Water and Planning
DJPR	Victorian Department of Jobs, Precincts and Regions
EIANZ	Environmental Institute of Australia and New Zealand
EMS	Environmental Management Systems
EO	Executive Officer
EPA	Environment Protection Authority Victoria
FMA	<i>Financial Management Act 1994</i>
FOI	Freedom of Information
FRD	Financial Reporting Directive
FTE	Full-Time Equivalent
IBAC	Independent Broad-based Anticorruption Commission (Victoria)
ICT	Information and Communications Technology
LSL	Long Service Leave
MILL	Municipal and Industrial Landfill Levy (Victoria)
MSA	Melbourne Strategic Assessment
MSA Act	<i>Melbourne Strategic Assessment (Environment Protection Mitigation Levy) Act 2020</i>
NCP	National Competition Policy
NCCMA	North Central Catchment Management Authority
OH&S	Occupational Health and Safety
PA Act	<i>Public Administration Act 2004</i>
PAB	Project Advisory Board
PID Act	<i>Public Interest Disclosures Act 2012</i>
PPWCMA	Port Phillip and Westernport Catchment Management Authority
RAC	Risk and Audit Committee
SDGs	Sustainable Development Goals
SEEA	System for Environmental Economic Accounts
SLA	Service Level Agreement
SoE	State of the Environment
SoF	State of the Forests
SotBs	State of the Bays
SoY	State of the Yarra and its Parklands
TAG	Technical Advisory Group
UN	United Nations
VAGO	Victorian Auditor-General's Office
VCMC	Victorian Catchment Management Council
VMaCC	Victorian Marine and Coastal Council
VPSC	Victorian Public Service Commission

Responsible Body Declaration (Standing Direction 5.2.3)

I am pleased to present the Annual Report for the Commissioner for Environmental Sustainability year ending 30 June 2020.



Dr Gillian Sparkes
Commissioner for Environmental Sustainability

DATE: 17 November 2020

Commissioner for Environmental Sustainability Financial Management Compliance Attestation Statement (Standing Directions 5.1.4 & 5.2.1(a))

I, Dr Gillian Sparkes, on behalf of the Responsible Body, certify that the Commissioner for Environmental Sustainability has no Material Compliance Deficiencies with respect to the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Dr Gillian Sparkes
Commissioner for Environmental Sustainability

DATE: 17 November 2020

Year in review

This year has been one of reflection, challenge and consolidation. Following the tabling of the Victorian State of the Environment 2018 Report (SoE) in March 2019, I was honoured to be re-appointed as Commissioner for Environmental Sustainability by the Hon Lily D'Ambrosio, Minister for Energy, Environment and Climate Change, from 1 July 2020 and tasked with the opportunity to build on our work since 2014 to enhance the impact of independent reporting on the health of Victoria's environment. Since tabling the SoE 2018 on 19 March 2019, I have reflected on the previous SoE reporting cycle to consider what worked well, and what could be improved to increase the impact of our work.

The SoE 2018 and its companion reports, State of the Forests (SoF) 2018 and State of the Yarra and its Parklands (SoY) 2018, provided a comprehensive scientific assessment of the condition of Victoria's environment. These reports also initiated the transition to align Victoria with the internationally recognised United Nations Sustainable Development Goals (SDGs). The framework for the SoE 2023 report, *Science for Sustainable Development*, an important deliverable this year, was tabled in the Parliament of Victoria on 16 June 2020. This framework sets out my ambition as Commissioner and our approach for the SoE 2023 reporting cycle. *Science for Sustainable Development* continues to advocate for a co-design and co-creation approach to our work as science reporters to ensure we have broad and deep stakeholder input into our science, synthesis and narratives. Continuing also to work co-operatively and collaboratively across government and the broader community to address pressing environmental and sustainability challenges and to apply the SDGs.

Science for Sustainable Development builds on the reforms and ideas outlined in 2015 in the *State and Benefit* framework and subsequently implemented during the SoE 2018 reporting cycle. It sets the ambitious task of using the SDGs to further explore, quantify and report on interactions between the natural environment, the wellbeing of communities and economic prosperity. *Science for Sustainable Development* specifically leans into the definitions and functions of the Commissioner as defined by the *Commissioner for Environmental Sustainability Act 2003* (CES Act) and the aspiration to facilitate ecologically sustainable development (ESD) – “development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends”. The objectives of ESD defined in the CES Act supports our work to apply the SDGs and explore and report on the connections between our quality of life and the environment. The SDGs provide an internationally agreed reporting framework that will enable a more comprehensive analysis of Victoria's environment, and the benefits we derive from it, than was available before the SDGs came into effect from 2016.

The *Science for Sustainable Development* framework commits to three forms of scientific synthesis to inform our recommendations to government in SoE 2023 through:

1. condition reporting;
2. reporting on Victoria's progress against specific SDG targets; and
3. investigating the interlinkages between those SDG targets and other social, economic and environmental conditions.

This interlinkage investigation is ambitious and makes for complex and challenging scientific reporting work that will require method development and new ways of working. However, there is great momentum amongst our team of scientists to implement the *Science for Sustainable Development* framework and deliver the associated statutory reporting program. Our overarching aim is to provide Victorians with access to accurate, up-to-date science and meaningful analyses on Victoria's environmental health to inform practical action.

The Commissioner's Reference Group (CRG) includes senior leaders from across Victoria to support me in my work (section 4 of the CES Act). I have recently welcomed additional members to the CRG, including Victoria's Deputy Chief Health Officer Dr Angie Bone, Chair of Vic Catchments Sharyon Peart, Commissioner for Local Jobs First Don Matthews, and Chair of the Victorian Environmental Assessment Council Janine Haddow.

REPORT OF OPERATIONS

This year has not been without its challenges. The 2019-20 bushfire season saw catastrophic fires engulf large parts of Victoria (1.2 million hectares burnt), leading to loss of lives, property damage, devastating biodiversity loss and the subsequent transformation of ecosystems. Bushfire smoke also presented a persistent public health risk across Victoria.

Despite these unforeseen challenges, progress on our work program has been relatively unaffected. Following the declaration of a state of emergency in Victoria by the Premier due to coronavirus, my team quickly transitioned to remote working in March 2020. My team has demonstrated resilience and adaptability in moving to this new way of working, which has resulted in us adopting new and efficient ways to engage with our stakeholders including online workshops, interactive panel sessions and events.

Work commenced this year on key reports including:

- State of the Marine and Coastal Environment (SMCE) 2021 report;
- SoE 2018 Biodiversity update (due late 2021); and
- A draft consultation paper on reporting on the benefits of environmental watering, per action 3.6 of the Water Plan. The consultation draft will be released during 2021 for the report due as part of the SoE 2023.

Thanks to the many colleagues, collaborators and friends for their advice and support with our work and to my dedicated team once again this year. Regardless of the challenging circumstances we have all faced the passion and commitment of everyone involved with our reporting program.

State of the Marine and Coastal Environment 2021 Report

In 2014, the incoming government committed to “a five-yearly State of the Bays report to monitor the health of coasts, bays and waterways”. Accordingly, the Commissioner released the inaugural State of the Bays (SoTBs) Report in 2016 to fulfil the five-yearly reporting commitment and commence the transition to the first complete State of the Marine and Coastal Environment (SMCE) report due in 2024 under the *Marine and Coastal Act (2018)*. My team has commenced work on the SMCE 2021 report which will be released late in 2021.

Work on the SMCE 2021 report began in November 2019 with an Executive Director Level Workshop (DELWP) and convening of the Technical Advisory Group (TAG). Engagement with technical experts including both government and non-government representatives aims to ensure this work appropriately captures the knowledge and perspectives of the diverse group of marine and coastal specialists working across Victoria. This is fundamental to ensuring my work as Commissioner is well targeted and complements ongoing efforts to improve how we understand and manage Victoria’s coastal and marine natural assets. The focus to date has been on developing and agreeing the indicator set which will form the basis of the scientific assessments in the SMCE 2021 report. A co-design approach has once again been adopted to the indicator selection process with a large group of experts joining indicator development workshops online due to coronavirus. The workshops were very well attended, and we are grateful to the 76 individuals who shared their time and expertise to support our work. The stakeholders comprised the following expertise:

- 56 colleagues from 16 different government organisations (across Federal, State and Local Government);
- Nine academics from five different universities;
- Eight representatives from five different non-government organisations (NGO); and
- Three Victorian Marine and Coastal Council (VMaCC) members.

In addition, 16 members of the VMaCC Science Panel also provided feedback to help finalise the provisional indicator suite. The next phase of the work will include; refining indicator measures and thresholds, identifying data custodians and acquiring and analysing available data and preparing a draft report for expert review by June 2021. My team and I will continue to engage broadly to assure the meaning and impact of this work to assist with the protection and management of Victoria’s precious marine and coastal environment.

State of the Environment 2018 Biodiversity Update

In response to the severity, location and extent of bushfires during the 2019-20 season, and the severe impacts of these fires on wildlife and ecosystems across Victoria, an update to the SoE 2018 report biodiversity chapter is being prepared for release by September 2021. It will build on the excellent work presented in DELWP's Victoria's Bushfire Emergency: Biodiversity Response and Recovery. A key outcome of the SoE 2018 biodiversity update is to refresh the independent science baseline following the significant fire event, in a timely manner and to inform the evaluation and refresh of *Protecting Victoria's Environment – Biodiversity 2037* due in 2021-22.

My team has engaged extensively with DELWP's Biodiversity Divisions and with Arthur Rylah Institute (ARI) scientists to co-design indicators to assess the severity of impact of the bushfires on Victoria's biodiversity. Since commencing this work in late 2019-20, the team has also engaged with experts and stakeholders more broadly including Conservation Volunteers Australia, Royal Botanic Gardens Victoria, Zoos Victoria and several universities.

Action 3.6 – Water for Victoria: Water Plan

Action 3.6 of the Water for Victoria water plan states the Commissioner will better monitor and report on the benefits of environmental watering by:

- Reporting on the outcomes of environmental watering in Victoria, as part of the five-yearly SoE report, a requirement under section 8 of the CES Act; and
- Recommending ways to improve future public reporting, consistent with the objectives of the CES set out in section 7 of the CES Act.

Accordingly, the SoE 2023 report will include a subsection on environmental watering outcomes. Work commenced this year with method design and stakeholder engagement. Recognising that consultation and co-design of the requisite indicators is critical for this inaugural report, a draft scientific baseline on environmental watering outcomes is being prepared to enable deep and purposeful consultation with a broad range of stakeholders. We are continuing to engage with government agencies and organisations responsible for the management of environmental water in Victoria such as; DELWP, including scientists from ARI, Catchment Management Authority (CMA) representatives and the Victorian Environmental Water Holder (VEWH). I thank these representatives and technical experts for their rigorous review and feedback at this early developmental stage of this important work. The draft report, due for completion in 2021, will be used to inform the final report to be included in SoE 2023.

Parliamentary Inquiry into Recycling and Waste Management

In November 2019 I was invited to appear before the 2019 Victorian Parliamentary Inquiry into Recycling and Waste Management. The Committee was tasked with inquiring into current circumstances of Victoria's recycling and waste management system and precursors that led to the state of crisis seen in 2019. Following the Inquiry, the *Recycling Victoria: A new economy, the 10-year circular economy plan* was released by the Victorian Government in early 2020. The new circular economy strategy includes a complete overhaul of Victoria's recycling sector, including:

- 3900 new jobs;
- the introduction of a four-bin waste and recycling system;
- significant investment in a new dedicated data system that will revolutionise the way we collect waste and recycling data; and
- public leadership in recycling by increasing the use of recycled materials in government procurement activity.

REPORT OF OPERATIONS

The new plan is an important milestone in Victoria's transition to a circular economy and aligns with recommendations 13 and 14 of the SoE 2018 report and Victoria's transition to a circular economy.

Cultural Landscape Health and Management

The cover of the *Science for Sustainable Development* framework features an aerial photograph of the extraordinary Budj Bim UNESCO World Heritage site, in the Gunditjmara country of south western Victoria. Budj Bim is the first Indigenous site to be added exclusively for its cultural significance. The cover of this report is an important reflection of the work underway within DELWP, and subsequently my team, around Cultural Landscape Health and Management. This work recognises the unique rights and obligations held by Traditional Owners to care for Country. Recommendation 1 to government in the Victorian SoE 2018 is to "develop contemporary cultural indicators to inform future environmental reporting. These indicators must reflect the priorities of Traditional Owners, have practical and cost-effective data-collection methods, be meaningful, and demonstrate change within a five-year reporting period". It is our intention to bring effect to this recommendation through the *Science for Sustainable Development*, SoE 2023 reporting cycle.

Integrating Traditional Owners' unique role in caring for Country; and deep spiritual connection to it is a priority as reflected by recommendation 1 in the SoE 2018. Accordingly, consultation around contemporary cultural indicators commenced in 2019-20 with more work underway in 2020-21 to start developing Cultural Landscape Health and Management indicators for our reports – linking in with other initiatives of the Traditional Owner communities – such as Country Plans – as part of the SMCE 2021. I also commend DELWP and Parks Victoria for the progress being made on the Cultural Landscapes Strategy which will be released later in 2020.

Events, Media and Communications

A key objective of my team is to engage a broad, diverse audience across Victoria and indeed Australia and the world in our work. To that end, we maintain our media footprint through web and social media channels as well as regular live speaking engagements by myself and the science team. A snapshot follows.

I was delighted to be invited to deliver the opening address at the Energy Evaluation Asia-Pacific Conference in Bangkok, Thailand on 30 October 2019. In my address 'Transformative Evaluation: State of the Environment reporting framed by the UN SDGs', I discussed the implementation of the UN SDGs for SoE reporting for Victoria, and how the state is transforming its environmental reporting frameworks. I was joined in opening the conference by Inspector-General, Ministry of Energy, Thailand Prasert Sinsukprasert and Chairman, Indonesian Energy Efficiency and Conservation Jon Respati.

Our engagement across government, industry, non-government and the university sectors is ongoing and a high priority for my science team who are regularly invited to speak at events. A highlight in 2020 was the opportunity to participate in RMIT's Engaging for Impact 2020 conference, where I discussed the role of the Commissioner as an independent environmental reporter, and the opportunities of the SDGs as a framework to define sustainability challenges and solutions.

I also enjoyed speaking as part of a panel for the 2020 Shared Value Summit – Asia-Pacific where we discussed how financial institutions and businesses more broadly were assessing climate risk in their activities with a virtual audience from New York to Hong Kong to Sydney. Other activities include:

- IPAA Victoria Public Sector Week – "Why should the public sector care about sustainable development";
- 2020 International Day of Women and Girls in Science;
- FutureAUS Coworking Summit; and
- RMIT's Sustainability Showcase.

My work has also been featured in several print and digital media outlets including:

- *The Mandarin*: "I put myself into their shoes": how working closely with diverse stakeholders helps Sustainability Commissioner Gillian Sparkes achieve impact; and

- *Position Magazine*: Q&A with Gillian Sparkes.

My team and I continue to regularly publish material through our digital communications platforms. Our website is our digital home, and acts as the platform to share reports and commentary on our work and emerging issues. Official Commissioner for Environmental Sustainability pages on external social media platforms such as LinkedIn and Facebook have also directed a large audience to the website, emphasising the important role of social media in attracting diverse segments of the Victorian community to our science and stories.

Media campaign – the Victorian SoE 2018 report by theme

In August 2019, we commenced a ‘13 Themes in 13 Weeks’ series, shared on our website and through various social media platforms, exploring the key themes of the Victorian SoE 2018. Each week, we shared information and images about one theme and provided links back to the SoE 2018 report on our website. Several themes aligned with events, which were highlighted and linked so readers could access further information. The 13-week campaign finished with the theme of ‘Energy’ to coincide with my keynote address at the Energy Evaluation Asia-Pacific Conference in Bangkok.

Media campaign – Victoria’s marine and coastal environments

On 5 June 2020, we celebrated World Environment Day with a post across our various social media platforms ahead of the launch of an 11-week campaign to celebrate Victoria’s marine environment using imagery and content from our 2016 SotBs report and to foreshadow the SMCE 2021 report, currently in preparation. This campaign celebrated Victoria’s unique marine and coastal environments and the deep commitment of scientists and managers who work to preserve these environments. The campaign officially kicked off on 8 June 2020 on World Oceans Day and included stunning underwater photography shot for the SotBs 2016 report by Dr Julian Finn, Museums Victoria’s Senior Curator, Marine Invertebrates.

Given the importance of our website to connect and engage the community with our science reports, we initiated a web refresh for completion in 2020-21.

FutureAUS Coworking Summit

Members of our science team participated in a workshop on the SDGs at the FutureAUS Coworking Summit in Torquay in September 2019. They had the opportunity to present insights from the SoE 2018 report and outline opportunities for SDG reporting at a local level. It was a great afternoon sharing insights – presenting our work and learning from local government delegates – in the context of the week’s agenda defining the “future of work, life and cities”.

New reporting functions

Our focus continues to be delivering influential reports and commentary, building on the learning and successes of previous reporting processes. Since 2014, my team and I continue to be assigned additional, independent reporting functions. The assigning of new reports to the role of the Commissioner continues to highlight the value placed by Victorians on independent and impartial scientific assessment of environmental condition. This year, we were assigned another two independent reporting functions through the *Great Ocean Road and Environs Protection Act 2020* and the *Melbourne Strategic Assessment (Environment Protection Mitigation Levy) Act 2020* (MSA Act). This brings to seven, the number of new reporting functions assigned to my team and I in addition to the Victorian SoE report, since 2015 – coinciding with the delivery of the *State and Benefit* framework for SoE 2018 – developed as a framework for reporting and reform.

REPORT OF OPERATIONS

State of the Great Ocean Road Coast and Its Parklands

In June 2020, the Victorian Parliament passed legislation to establish a dedicated parks management body called the Great Ocean Road Coast and Parks Authority (GORCAPA), which will be established by 1 December 2020. This landmark reform recognises that this special part of Victoria is so important that it requires dedicated management arrangements. It also strengthens the involvement of Traditional Owners in the governance of the coast and parks.

The reforms now underway will protect the Great Ocean Road's coast and parks, provide a planning framework for 30 responsible entities, better manage visitor's experiences, and ensure the prosperity and liveability of local communities. As Commissioner, I am responsible for reporting periodically on the environmental condition of the Great Ocean Road's coasts and parks, as part of the regular SoE report. The timing for the first report is yet to be determined.

Melbourne Strategic Assessment

The MSA Act came into effect on 1 July 2020. The MSA Act is the legal framework to support the Victorian Government's Melbourne Strategic Assessment (MSA) Program, to manage the impact of urban development in Melbourne's growth areas on significant vegetation communities, plants and animals. The MSA Act also introduces new audit, reporting and review processes to improve the transparency of DELWP's administration of the MSA Program. Changes to the CES Act provide for the Commissioner to report on the MSA conservation outcomes once every two years. The first report will be prepared by November 2022.

Continuing to work with our stakeholders

Working with our stakeholders on our reports is an absolute priority for my team. We understand that authentic engagement and co-design processes with our stakeholders in developing our reports is fundamental to delivering accurate, meaningful and scientifically rigorous reports, so that our work is both useful and being used. Connecting with, and listening to, a large and diverse stakeholder cohort has continued to be an emphasis for my team and remains a high priority for me as Commissioner. Whilst coronavirus has presented new challenges for effective engagement, it has also introduced new opportunities using digital tools. We recognise that this is a challenging time for all and continue work with our stakeholders in an effort to meet their needs and enhance our reports.

I am grateful for the time and insights of the members of the CRG who once again this year have provided an invaluable contribution to our work. This includes generously sharing their expertise to inform the *Science for Sustainable Development* framework and our early work on the SMCE 2021 report. In addition to the CRG, we continue our commitment to structured, formal and informal forums to gain input and insight from across the Victorian government including through our technical advisory groups and regular, smaller group meetings, in addition to frequent one-on-one meetings with key stakeholders and leaders from across the Victorian environment sector.

Concluding remarks

The commitment and resilience of Victorians in responding to the challenges faced by the bushfires and the coronavirus pandemic during 2019-20 is inspiring. These events brought into sharp focus the environmental, economic and social determinants of wellbeing, highlighting the importance of taking a systems approach to addressing complex problems, consistent with our *Science for Sustainable Development* framework.

At the close of FY 2019-20, I am pleased to report that *Science for Sustainable Development* has garnered significant local, national and international interest in the innovations of our work. It is an ambitious document that builds on the foundations of the previous reporting cycle (2015 to 2019) and aims to further animate the principles and objectives of ESD and functions of the CES as defined in the CES Act.

Thanks go again this year to the many committed colleagues, collaborators, communities and indeed friends whose contribution to the relevance and efficacy of our work is essential. Thanks also to the Secretary, Deputy Secretaries and many staff from our line agency DELWP and independent members of our Risk and Audit Committee for support with the delivery of our work program.

Since 2014, it has been a privilege to serve as Victoria's Commissioner for Environmental Sustainability, and an honour to meet and work with so many committed and talented people. Thank you to everyone involved and interested in our work. As a small team, we are indebted to so many people – from scientists, authors, reviewers, community members and administrators to readers and listeners. I am confident that collectively our work together is enhancing the knowledge and understanding of issues relating to ESD, while also encouraging sound environmental practices in Victoria.

I am pleased to present the 2019-20 Annual Report.



Dr Gillian Sparkes
Commissioner for Environmental Sustainability Victoria

Performance report: Overview

Funding

Since 2016-17, the Commissioner for Environmental Sustainability (CES) has been funded from the Municipal Land Fill Levy (MILL) Trust, a hypothecated trust account which DELWP administers. On top of this base funding, DELWP occasionally provides additional grants to CES for commissioned work.

Following consultation with DELWP, the CES 2019-24 (five year) Business Plan and projected budget was approved by the Minister for Energy, Environment and Climate Change, Hon Lily D'Ambrosio MP, on 3 December 2019 in accordance with section 15 of the *Commissioner for Environmental Sustainability Act 2003* (CES Act).

Additional funding of \$500,000 per annum was approved by the Minister with the five-year 2019-24 Business Plan. This additional funding was not available in 2019-2020 but has been secured for 2020-24.

Annual reporting requirements from the CES Act

In describing the annual reporting requirements of the CES, section 16 of the CES Act notes:

“The Commissioner must include:

- (a) a brief summary of all activities completed, commenced or conducted; and
- (b) a statement of the financial and other resources used in preparing reports under Part 3 – during the financial year in the relevant annual report of operations under Part 7 of the *Financial Management Act 1994*.”

Our mission

CES reports on the State of Victoria's environment to help government, business and the community take practical action.

Manner of establishment, objectives and functions of the Commissioner for Environmental Sustainability (FRD 22H & FRD 8D)

Established by the Victorian Government in November 2003 under the CES Act, CES provides an independent voice that audits and reports on environmental sustainability, and the state of Victoria's environment.

The Hon Lily D'Ambrosio, Minister for Energy, Environment and Climate Change was the responsible Minister for the period 1 July 2019 to 30 June 2020.

The legislative objectives of the CES per section 7 of the CES 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; and
- 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 major functions of the CES per section 8 of the CES Act are to:

- prepare a report on the state of the environment of Victoria;
- conduct annual strategic audits of, and prepare reports on, the implementation of environmental management systems by agencies and public authorities;

- every two years, conduct a strategic audit and prepare a report on the implementation of the MSA conservation outcomes to DELWP;
- 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 or the implementation of the MSA conservation outcomes;
- prepare and make a State of the marine and Coastal Environment Report under the *Marine and Coastal Act 2018*; and
- make a report on the progress of a Biodiversity Strategy per section 18D of the *Flora and Fauna Guarantee Act 1988*.

In addition to these statutory reporting functions, the CES may also publish statements and guidelines.

The CES Act is available online [here](#).

Key projects and achievements for the year (FRD 22H)

This year, the CES has sought to more specifically progress the objectives of section 7 of the CES Act through the *Science for Sustainable Development* framework for the SoE 2023 report tabled in the Victorian Parliament on 16 June 2020.

The *Science for Sustainable Development* framework provides a comprehensive description of the path the CES will take to deliver the SoE 2023 report and is the guiding framework for all other 'state of' reports to be prepared by the CES during the 2019-24 cycle. Importantly, *Science for Sustainable Development* promotes the use of internationally developed and recognised monitoring and reporting inputs, specifically the United Nations Sustainable Development Goals (SDGs) and System of Environmental-Economic Accounting (SEEA).

Key initiatives and achievements for CES in 2019-20 include:

- Delivery and tabling of the framework for the SoE 2023 report – *Science for Sustainable Development*;
- Commissioner's presentation at the Energy Evaluation Asia Pacific Conference in Bangkok, Thailand
- State of the Marine and Coastal Environment Report – early development including; scope, structure and indicator set.
- Action 3.6 Water for Victoria Water Plan – initial consultation and engagement with key stakeholders
- State of the Environment 2018 Biodiversity Update – early development including of scope, structure and indicator set.
- Commissioner's appearance at the 2019 Victorian Parliamentary Inquiry into Recycling and Waste Management.

Website – Commissioner for Environmental Sustainability

The *Science for Sustainable Development* framework was the only statutory publication during the 2019-20. Tabled at the end of the reporting year on 16 June 2020, this may explain in part the reduction in website users compared to the previous year – especially the period following the release of the State of the Environment 2018 and other reports (SoF, SoY). Total website users reduced from 17,418 in the 2018-2019 financial year to 12,989 in this financial year. However, continued promotion of the SoE 2018 report suite, associated recommendations and ongoing engagements of the Commissioner and the office has driven continued interest in this important work. The work of the CES also continues to be of interest internationally (Figure 1).

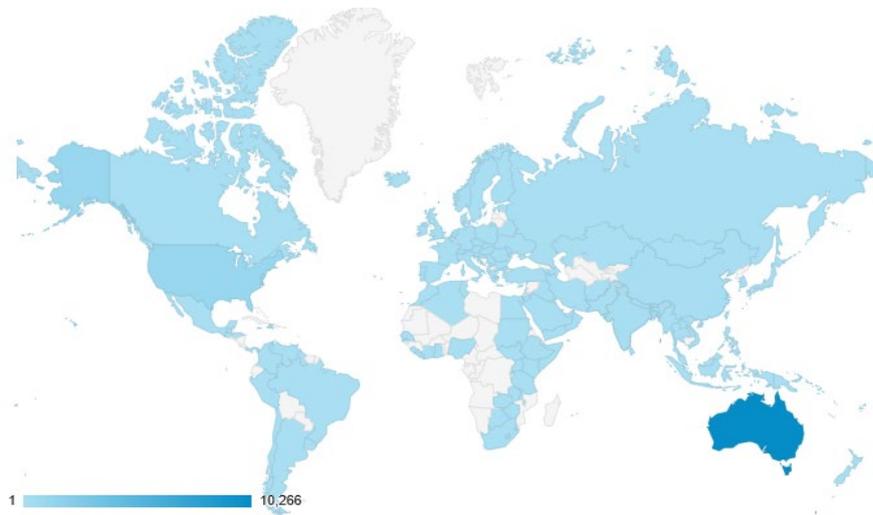


Figure 1. Number of daily website users per country over the 2019-2020 period, highlighting the international interest in the work of the CES.

Performance reporting: non-financial (FRD 22H)

The non-financial performance report is structured around the key activities of CES and the statutory requirements of CES under the CES Act.

The approved five-year Business Plan 2019-24 outlines the key deliverables for the CES for 2019-20 which have been achieved and include:

- the delivery and tabling of the framework for the SoE 2023 report as outlined in section 17(2) of the CES Act;
- preparatory work on the SMCE report due in 2021;
- per section 18(1) of the CES Act, preparing the Strategic Audit Report of implementation of EMS by Victorian Government agencies and public authorities, as reported through FRD 24D, by 31 January 2020;
- advancing ecologically sustainable development principles and practices by:
 - developing socio-economic indicators, aligned with the UN SDGs, for use in the 2023 SoE report;
 - using data and spatial information in a more sophisticated way – towards digital reporting;
 - considering and collaborating with DELWP on the use of the UN SEEA in reporting, and the development of a strategy to incorporate SEEA accounts into the 2023 SoE;
 - confirming (through DELWP) the climate adaptation indicators to be used in the 2023 SoE report to ensure they align with Victoria’s Climate Change Strategy; and
 - tracking CES recommendations to Government.¹

¹ Delayed due to coronavirus.

Output summary (FRD 8D)

As required under section 16 of the CES Act, this section sets out a summary of all activities completed, commenced or conducted during 2019-20. It reports on CES delivery against the initiatives set out in the CES Act, in the Business Plan and budget, approved as required under section 15 of the CES Act by the responsible portfolio Minister on 3 December 2019.

CES objectives, indicators and linked outputs are tabulated below, showing the outputs against the statutory requirements and the Business Plan.

CES objectives, indicators and linked outputs for 2019-20

Table 1: Objectives, indicators and linked outputs for 2019-20

Objectives	Indicators	Outputs
1. Report on matters relating to the condition of the natural environment of Victoria.	Demonstrate progress toward the SoE 2023 reporting consistent with the Framework and the project plan.	The SoE 2023 report framework ' <i>Science for Sustainable Development</i> ' was tabled in Parliament on 16 June 2020.
2. Encourage decision-making that facilitates ecologically sustainable development.	Demonstrate SoE 2023 reporting is consistent with the Framework and the project plan.	SoE 2023 will assess the environmental condition of the SoE 2018 baseline indicators – in terms of status, trend and data quality. SoE 2023 and other reports in the cycle will measure environmental condition and Victoria's progress against relevant SDG targets.
	Report on environmental watering outcomes as per Water Plan action item 3.6.	Preparatory work completed towards reporting on environmental watering outcomes in future SoE reports.
3. Enhance knowledge and understanding of issues relating to ecologically sustainable development and the environment.	Provide opportunity for increased engagement leading to knowledge and understanding in the general community.	Developed a formative method for utilisation of the UN SDGs in SoE reporting in Victoria. Participated in forums and visits, workshops and seminars with government and NGOs, speeches and presentations at environment and leadership seminars. Maintained an active social media presence and CES website www.ces.vic.gov.au . This included two key campaigns: one around the key themes of SoE 2018; the other around the SotBs in preparation for SMCE.

REPORT OF OPERATIONS

- | | | |
|---|--|---|
| 4. Encourage sound environmental practices and procedures to be adopted by the Government of Victoria and local government as a basis for ecologically sustainable development. | Coordination, development and tabling of the Strategic Audit Report on the EMS of mandated Victorian Government agencies.

Stakeholder engagement. | Provided the Minister with the Strategic Audit Report on EMS implementation in mandated Victorian Government agencies that includes advocating a reform of FRD 24D.

Implementation of the <i>Science for Sustainable Development</i> framework.

Continued to work closely with state government at all levels to inform CES reporting and to better frame future CES recommendations.

Continued with formalised engagement processes. These included meetings of the CRG which consists of representatives of non-governmental environmental stakeholders and meetings of technical advisory groups which consists of experts in environmental fields both in and outside of government. |
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Reporting progress towards achieving objectives in the report of operations (FRD 22H)

Table 2: Progress against objectives

<i>CES objectives</i>	<i>Outputs</i>	<i>Progress</i>
1. Report on matters relating to the condition of the natural environment of Victoria.	Moved to formative phase for the SoE 2023 through comprehensive planning, skills recruitment and method development.	The SoE 2023 report framework ' <i>Science for Sustainable Development</i> ' was tabled in Parliament on 16 June 2020. Indicator development process commenced.
2. Encourage decision-making that facilitates ecologically sustainable development.	Collaborated with DELWP and advocated for wide adoption of the use of the SEEA Accounts in reporting. Developed a strategy to show how to incorporate SEEA into SoE reporting. Commenced preparatory work on reporting on environmental watering outcomes in future SoE reports.	In collaboration with CES, DELWP committed to developing a set of representative accounts for inclusion in future SoE reports. Completed formative work around expanded application of SEEA Accounts in SoE 2023. Commenced work on background interviews and the formative development of a framework for evaluation and reporting.

REPORT OF OPERATIONS

<p>3. Enhance knowledge and understanding of issues relating to ecologically sustainable development and the environment.</p>	<p>Application of the SDGs enabling better, holistic conversations with the community as CES tracks progress on ecologically sustainable development.</p>	<p>Ongoing. Continuing to develop a method for utilisation of the UN SDGs in SoE reporting. Including:</p> <ul style="list-style-type: none"> • Localisation of SDG targets • Assessment of selected SDG targets • Understanding Interlinkages between targets
	<p>Participate in forums and visits, workshops and seminars with government and non-governmental organisations (NGOs), speeches and presentations at environment and leadership seminars.</p>	<p>Ongoing.</p>
	<p>Maintain an active social media presence and CES website www.ces.vic.gov.au.</p>	<p>The total number of website users over the 2019-2020 period was 12,989.</p>
<p>4. Encourage sound environmental practices and procedures to be adopted by the Government of Victoria and local government as a basis for ecologically sustainable development.</p>	<p>Provide the Minister with the Strategic Audit Report on EMS implementation in mandated Victorian Government agencies that includes advocating a reform of FRD 24D.</p>	<p>Complete. The 2018-2019 EMS Report was tabled on 18 March 2020.</p>
	<p>Continue to work closely with state government at all levels to inform CES reporting and to better frame future CES recommendations.</p>	<p>Ongoing.</p>
	<p>Continue with formalised engagement processes. These include meetings of the CRG which consists of representatives of non-governmental environmental stakeholders and meetings with technical advisory groups which consist of experts in environmental fields both in and outside of government.</p>	<p>Ongoing.</p>

Performance report: Financial (FRD 22H)

Budget portfolio outcomes (8D)

CES is funded via grants paid out of the MILL Trust administered by DELWP. The CES operating budget is administered by DELWP's Environment and Climate Change division and approval of the budget and Business Plan is in accordance with section 15(3)(b) of the CES Act and is approved each year by the Minister.

The July 2019 to June 2020 CES budget was \$1,447,000. In addition, the trust fund carried forward \$40,990 from the previous year. The considerable change in the amount carried forward by the trust fund in 2018-19 compared to 2019-20 is due to inability to supplement the budget in 2019-20. As such, this was drawn down from the funds and carried forward.

Table 3: Budget July 2019 – June 2020

Budgeted Expenditure	2019-20 Budget (\$)	2019-20 Actual (\$)
Employee expenses	1,188,035.00	1,200,982.37
All other expenses	258,965.00	281,759.23
Total	1,447,000.00	1,482,741.60

Variance in actual employee cost against budget is largely due to increasing the administration support role from 0.8 FTE to full-time reflecting the increased workload.

As described in the Service Level Agreement (SLA) between DELWP and CES, DELWP continued to provide business systems, information technology access and services, human resources and financial services support. Budget figures for employee expenses are provided by DELWP based on number and classification of staff.

Table 4: Departmental five-year financial summary (FRD 22H)

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Total income from transactions	1,447,000	1,507,000	1,637,000	1,450,000	1,114,608	1,585,984
Total expenses from transactions	1,473,724	1,890,074	1,418,719	1,211,760	944,200	1,258,983
Non-financial assets	31,406	40,990	27,348	37,737	17,306	22,093
Financial assets	575,543	556,080	925,236	632,698	336,082	136,884
Total assets	606,949	597,070	952,584	670,435	353,388	158,977
Payables	33,147	34,069	21,692	19,497	12,309	11,434
Provisions	343,949	287,908	288,729	217,257	162,627	133,284
Interest bearing liabilities	31,557	41,057	23,139	29,181	17,528	22,311
Total liabilities	408,653	363,034	333,560	265,935	192,464	382,231

The increase in total liabilities from 2018-19 to 2019-20 is a result of a change in accounting assumption and estimation. Due to the change in the payroll system, DELWP (including CES) has adopted the Department of Treasury and Finance 2008 long service leave model in the 2019-20 financial year, which uses different assumptions from the long service leave model used in prior years.

REPORT OF OPERATIONS

Departmental current year financial review

The current statutory reporting program for the CES to 2024 is summarised below:²

- Five-yearly SoE report – due to be tabled in 2023.
- Report on the outcomes of environmental watering (Action 3.6, Water Plan) – due as part of SoE 2023.
- Report against Biodiversity 2037 targets – due as part of SoE 2023.
- Five-yearly SMCE report (build on State of the Bays 2016) – due 2021 (part), 2024 (full).
- Five-yearly State of the Yarra and its Parklands Report – due to be tabled 2023.
- Five-yearly State of the Forests Report – due 2023.
- Five-yearly State of the Great Ocean Road Coast and Parks Report – due date to be confirmed.
- Melbourne Strategic Assessment – due 2022.
- Strategic audit of the implementation of Environmental Management Systems by Agencies and public authorities – due to the Minister by 31 January each year.

CES staffing and expenditure expands and contracts during this five-yearly cycle to meet the work program demands. Reports, and therefore costs, are not evenly distributed across each year.

Financial position – balance sheet (FRD 22H)

In 2019-20, CES' net worth decreased slightly from \$234,036 in 2018-19 to \$198,296 in 2019-20, achieving a comprehensive result of a deficit of \$35,740.

As per the financial statements, CES' net worth as at 30 June 2020 has decreased in comparison to the opening net worth balance. This is the result of CES' financial performance for the financial year, which was a deficit of \$35,740. The financial deficit was the product of CES' expenses and other economic outflows being greater than the revenue recognised for the period. As per Note 8.2, CES has assessed the impact of new accounting standards and determined there to be no impact to the financial statements, outside of additional note disclosures.

Cash flows

The overall cash and cash equivalents decreased from \$80,142 to \$44,683 due to an inability to supplement the budget in 2019-20.

Capital projects/asset investment programs (MRO)

CES does not undertake capital projects.

Disclosure of grants and transfer payments (other than contributions by owners) (MRO)

There were no grants or transfers to report.

Subsequent events (FRD 22H)

There were no subsequent events to report.

² Due to the impact of the 2019-20 bushfires the CES is currently preparing an update to the SoE 2018 Biodiversity chapter ahead of, and in addition to, the SoE 2023.

Organisational structure and corporate governance arrangements (FRD 22H)

Dr Gillian Sparkes was the Commissioner for the full period.

Dr Sparkes holds a PhD in Applied Science (Chemistry), a Master of Business Administration, and is a Fellow of the Australian Institute of Company Directors and a National and Victorian Fellow of the Institute of Public Administration Australia. Within the Victorian public sector, Dr Sparkes has held senior roles including:

- Chair of the Board of Sustainability Victoria;
- Deputy Secretary Corporate and Business Services for the Department of Sustainability and Environment; and
- Non-executive Director of South Gippsland Water.

Dr Sparkes has extensive operational and commercial experience through leadership roles in the private and public sectors dealing with environmental, industrial, water, waste, energy, emergency management and community issues.

The Commissioner's Advisory Bodies (FRD 22H)

The Commissioner's Reference Group (CRG) is the CES' primary advisory body formed under the CES Act (section 9(2)). The CRG provides advice and support to the CES and is comprised of leading members of stakeholder and advocacy groups and organisations, identified and invited by the CES and approved by the Minister. The CRG met approximately quarterly throughout the year.

Janine Haddow, Chair of the Victorian Environmental Assessment Council, is the newest member of the CRG, with Janine accepting her appointment on 17 July 2020.

Table 5: CES Advisory Body Meetings

CES Advisory Body	Number of meetings in the 2019-20 FY
Commissioner's Reference Group	3

CRG membership and biographies

Ms Victoria Marles, Chief Executive Officer of Trust for Nature

Ms Victoria Marles leads Trust for Nature (Victorian Conservation Trust), a key statutory environment organisation focused on private land conservation and the development of eco-markets. This role utilises her extensive experience as a lawyer and senior executive in the media, communications and consumer protection sectors. She joined Trust for Nature in 2009 after recognising the organisation's work protecting biodiversity in the state of Victoria.



In addition to her responsibilities at Trust for Nature, Ms Marles is also on the steering committee of the International Land Conservation Network and the Australian Business Biodiversity Initiative.

As Victoria's first Legal Services Commissioner, Ms Marles supervised the establishment of the current Victorian legal regulatory framework. As Deputy Telecommunications Industry Ombudsman, Legal Services Commissioner and a tribunal member in the jurisdiction of guardianship and administration, Ms Marles has developed extensive dispute resolution experience.

Dr Kirsten Shelly, Council Member of the Victorian Catchment Management Council

Dr Kristen Shelly was appointed as a Council Member to the Victorian Catchment Management Council (VCMC) in September 2018. VCMC provides independent advice on the condition of land and water resources, and the priorities for Victorian Catchment Management Authorities. VCMC is also tasked with advising government to help prepare Victoria for future environmental challenges including climate change and population growth, increasing land use, and natural disasters such as bushfires and floods.



Dr Shelly currently works at Melbourne Water, where she has held several management roles, including Manager of the Western Treatment Plant, General Manager of Waterways and Land, and Manager of Catchments and Water Quality. Prior to working at Melbourne Water, Dr Shelly was a Senior Policy Adviser in various water portfolios, as well as former Director of Water Strategies for the Queensland Water Commission.

Dr Anthony Boxshall, Chair of the Victorian Marine and Coastal Council

Dr Anthony Boxshall is a marine ecologist who has worked in Australia and the USA across Government, academia and the private industry. He is the Founder and Principal of *Science into Action*, a science impact company turning great science into greater actions. A former National President of the Australian Marine Sciences Association (AMSA – the largest learned society for professional marine scientists in Australia), he has worked at UC Santa Cruz USA, Deakin University, and has been on several innovation boards.



A Melbourne Enterprise Fellow in the School of Biosciences at The University of Melbourne, he was until late 2017 the Director, Applied Sciences at the Environment Protection Authority (EPA) Victoria.

Mr Stephen Sheridan, Chief Executive Officer of Victorian Farmers Federation

Mr Stephen Sheridan was appointed Chief Executive Officer of the Victorian Farmers Federation (VFF) in January 2018. Mr Sheridan has a unique combination of skills and attributes including extensive commercial expertise and experience developed in various senior management roles in a large corporate agribusiness, several years with the VFF in a management role, and his own personal experience and understanding of the sector, being raised on a mixed cropping, livestock and irrigation property.



Mr Sheridan's previous roles include Director of the Melbourne International Flower & Garden Show, Grains Group Manager for VFF, as well as a number of regulatory and commercial management roles within industry at AWB International.

Dr Kaye Rodden, Non-Executive Director at National Landcare Network

Dr Kaye Rodden is an active partner in a farm business west of Geelong on the Barwon River. She has been involved in Landcare and natural resource management for over 30 years. Dr Rodden is a founding member of Barrabool Hills Landcare Group and is its current President. She also sits on the Boards of the Geelong Landcare Network and the Victorian Rabbit Action Network and is the President of the Friends of the Barwon. Dr Rodden spent nine years as a Board Member of the Corangamite Catchment Management Authority, retiring in 2009.



From 2010 until 2019, Dr Rodden represented Corangamite on the Victorian Landcare Council and then the newly formed Landcare Victoria. She is Victoria's current nominee on the Board of the National Landcare Network.

Dr Rodden was awarded a doctorate for her research into trace element nutrition of sheep and holds an Honours Degree in Agricultural Science, a Diploma of Education, and a Master Tree Grower Certificate. She has recently been inducted as a member of the prestigious US based Academy of Community Engagement Scholarship.

Mr Matthew Ruchel, Executive Director of Victorian National Parks Association

Mr Matthew Ruchel has been the Executive Director of Victorian National Parks Association (VNPA) since 2007 and has a strong background in environmental policy.



Mr Ruchel has worked in the non-government environmental policy areas at state, national and international level for more than 30 years, including roles with the Australian Conservation Foundation, Hume City Council and Greenpeace.

Mr Ruchel has held senior positions in leading international and national conservation organisations and in local government. He brings strategic planning skills to his role at VNPA combined with his experience in coordinating staff and campaigns, as well as liaising with government and industry at all levels, and a range of interest groups.

Ms Amelia Young, Victorian Campaigns Manager for Wilderness Society Australia

Ms Amelia Young is a social and environmental justice campaigner with high levels of experience in campaigns to protect Victoria's native forests from logging and wood chipping. Ms Young has also worked to restore environmental flows to Victoria's stressed rivers, including the Murray River.

Ms Young has experience in strategic campaign planning, development and implementation, as well as policy analysis and research. She is proficient in writing and delivering presentations to a vast range of audiences, including major donors, political figures and community.

Ms Young is interested in and committed to developing winning campaigns that deliver better outcomes for people and places. She developed the Great Forest National Park, Emerald Link and Ethical Paper campaigns.



Ms Claire Dunn, Policy Manager, Environment and Regulatory Services at Municipal Association of Victoria

Ms Claire Dunn is a Policy Manager at the Municipal Association of Victoria (MAV), the peak body for Victoria's 79 local councils. In this role, Claire leads advocacy on a range of regulatory and environmental policy matters, including waste management and resource recovery, environmental protection and climate change. Claire has a proven track record of achieving desired outcomes, including regulatory and legislative change, through negotiation and advocacy.

Ms Dunn has developed strong policy expertise from a variety of roles in federal government, both in Australia and internationally, as well as industry experience.

Ms Dunn holds a Bachelor of Arts and Masters of Public Policy and Management from the University of Melbourne, and also completed the Cranlana Centre for Ethical Leadership Executive Colloquium.



Mr Jonathan La Nauze, Chief Executive Officer for Environment Victoria

Mr Jonathan La Nauze was appointed as Chief Executive Officer in January 2019. He has over 18 years of experience in the environment movement and is a respected leader with a track record of securing big wins for our environment and building a stronger movement. Jonathan is also an Executive Director of the Climate Action Network Australia.

Mr La Nauze grew up in the foothills of the Great Dividing Range near Albury in regional New South Wales. He studied a Bachelor of Arts at University of Melbourne, and has a Graduate Certificate of Business, Philanthropy and Non-profit Studies at the Queensland Institute of Technology.

Mr La Nauze spent 11 years at Friends of the Earth where he led the River Red Gum Campaign and negotiated alliances between environment groups and Traditional Owners. He also led highly successful campaigns for the Australian Conservation Foundation for five years as Healthy Ecosystems Program Manager including the creation of the historic Murray-Darling Basin Plan.



Ms Sharyon Peart, Chair of Vic Catchments

Ms Sharyon Peart moved from Melbourne to the Mallee in 2005, where she lived on a large property in Nangiloc. Ms Peart's background in corporate business, sales, marketing and team management gave inspiration to the small business she currently owns and operates. Ms Peart has been the sole director since she created the company in 2005, specialising in retail consultation, and managing women's health and wellbeing.



Ms Peart served on the Mildura Rural City Council as a Councillor for nine years and gained much experience as a portfolio councillor for art and education, later community services and wellbeing, and governance and finance.

Ms Peart is committed to strengthening partnerships between community and government in the sustainable management of resources across our region. Ms Peart is a member of the La Trobe University's Mildura Regional Advisory Board; a Director of Lower Murray Water; and a member of the Victorian Agricultural Advisory Council.

Mr Don Matthews, Commissioner for Local Jobs First at Victorian Government

Mr Don Matthews is the Local Jobs First Commissioner for Victoria. Mr Matthews is a highly regarded senior executive from the manufacturing industry. He is currently the Chair of various Boards and has held several senior roles in industry, including Chief Operating Officer at Amcor Australasia, President SCA Hygiene Australasia and most recently Executive Director of the Industry Capability Network Victoria, whose role was to facilitate opportunities for local businesses to work on major projects. Mr Matthews is committed to supporting local businesses, workers, apprentices and cadets – ensuring they benefit from Victorian Government Procurement.



The Commissioner advocates on behalf of Victorian small and medium enterprises, as well as promoting the employment of apprentices, trainees and cadets on government projects. Mr Matthews will also oversee compliance of local content and job commitments entered into as part of the contractual arrangements for project delivery.

Dr Angie Bone, Deputy Chief Health Officer (Environment)

Dr Angie Bone is the Deputy Chief Health Officer (Environment) at the Department of Health and Human Services. The Deputy Chief Health Officer (Environment) provides expert clinical and scientific advice and leadership on environmental public health issues. She supports the Chief Health Officer and staff within the Health Protection Branch.



Dr Bone has extensive experience and clinical expertise in public health. She is a medical doctor with experience in health protection related to environmental hazards and infectious diseases in the UK and a number of other countries.

Dr Bone has a keen interest in the social and environmental determinants of health, particularly climate change extreme weather events, housing and urban planning, and infectious diseases.

Mr Chris Chesterfield, Independent Water Sector Expert

Mr Chris Chesterfield is nationally recognised for his leadership in waterway and urban water management, and for his contribution to establishing Melbourne as a world leader in water sensitive urban design.

Mr Chesterfield's previous roles include General Manager of the Waterways Group at Melbourne Water, where he was instrumental in building and leading the Waterways Group business, providing waterway management and developer services to a region of five million people.

Mr Chesterfield has chaired a number of Ministerial advisory committees related to urban and water planning that have led to significant planning and legislative reforms, and was recently appointed by the Minister for Water to chair the Birrarung Council, which brings together Traditional Owners and community to act as the 'voice' for the Yarra River.

Mr Chesterfield continues to contribute to the management of Victoria's water resources as a Commissioner and Chairperson of the Victorian Environmental Water Holder, an independent statutory body responsible for holding and managing the State's environmental water entitlements.



Dr Rohan Henry, Independent Indigenous Engagement Advisor

Dr Rohan Henry currently works as Manager, Land and Waters at Bunurong Land Council Aboriginal Corporation. Over the past 20 years, Dr Henry has worked in water and environmental impact assessment areas; working in both government and consulting. For the past five years, Dr Henry has worked within a Traditional Owner Corporation focusing on government engagement on water and broader Traditional Owner policy and project areas.

Dr Henry is involved as an advisory member for a number of organisations, including Council Member for the Victorian Catchment Management Council, member of the Rock Lobster Fishery Resource Assessment Group, member of the Point Nepean National Park Management Advisory Committee, and past Consultative Committee member of the Central Regional Sustainable Water Strategy Review and the Water for Victoria, Water for Country – Project Control Group.



Ms Janine Haddow – Chair, Victorian Environmental Assessment Council

Ms Janine Haddow is a strategic planning and stakeholder engagement consultant, and she has extensive policy, planning and operational experience in the environment and natural resource management sectors including public land and park management, catchment and coastal management, forestry and biodiversity conservation.

She is currently a Director of the inaugural Gunaikurnai Traditional Owners Land Management Board. Ms Haddow was previously a Director of the Mt Buller Alpine Resort Board, North Central Catchment Management Authority and the Victorian Catchment Management Council.



Ms Haddow has qualifications in political science, education, landscape architecture and environmental planning, and is a graduate of the Australian Institute of Company Directors, the Williamson Community Leadership program and the Australian New Zealand School of Government Senior Executive Program.

Technical Advisory Groups

CES has established two other stakeholder forums to ensure a collaborative and consultative yet independent approach to report delivery which incorporates whole of system environmental reporting for Victoria in line with the pursuit of attaining ecologically sustainable development. CES strives for authentic engagement with partners and stakeholders and seeks to incorporate principles of co-creation and co-design with the aim of achieving collective impact.

These forums perform an important role in building trust, enabling regular scientific debate, and deep consultation and engagement with critical stakeholders, scientists and other contributors.

Table 6: CES Technical Advisory Group Meetings

CES Technical Advisory Groups	Number of meetings in the 2019-20 FY
CES Marine and Coastal Specialist Stakeholders	4
CES Environmental Water Specialist Stakeholders	4

Organisational structure (FRD 22H)

The following organisation structure represents the situation at the end of the financial year. Employment levels in the office increased slightly to 7.4 FTE from 7.6 FTE.

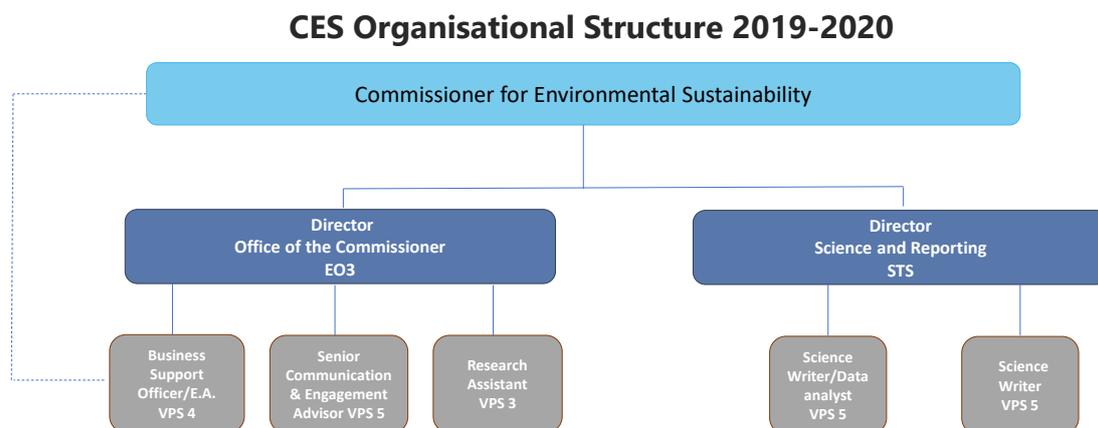


Figure 2. CES organisational structure as at 30 June 2020.

Audit Committee membership and roles (SD 3.2.1 & FRD 22H)

The Audit Committee consists of the following members:

- Peter Lewinsky, Chairman (independent member appointed October 2016);
- Helen Thornton (independent member appointed March 2015);
- Mark Peters (independent member appointed March 2015); and
- Rachel Thomson (independent member appointed July 2019).

The main responsibilities of the Risk and Audit Committee (Committee) are described in the following extract from the Committee Charter:

REPORT OF OPERATIONS

- the primary function of the Committee is to provide independent assurance to the CES that the risk and control environment is operating effectively and efficiently;
- acts as an advisory Committee and its responsibilities relate to the CES, while recognising CES has an SLA with DELWP for the provision of corporate services and applies DELWP's framework and policies;
- within CES the internal audit function is delivered primarily through the internal audit program of DELWP.

The Committee is appointed in accordance with the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*.

Occupational health and safety (FRD 22H)

CES is committed to ensuring that all employees, contractors and visitors are provided with the use of facilities, equipment, education and training to minimise and prevent workplace injury and illness. CES demonstrates its commitment to occupational health and safety (OH&S) through its OH&S Policy and associated safe system of work which aligns with DELWP's OH&S policy.

CES staff have access to a range of programs provided by DELWP. These services include training and development programs, OH&S courses, counselling services through the Employee Assistance Program and wellbeing programs. The use of a common framework for managing specific workplace hazards is a critical part of the office's strategy for managing health and safety.

No incidents were reported in the 2019-20 period, nor in the previous financial year.

An external audit of the office environment was completed in addition to assessments made by the OH&S floor representative.

During the 2019-20 financial year, CES continued several initiatives to improve the health and safety of staff including the OH&S standing agenda item at staff meetings, ergonomic assessment and safety audits to identify and address workplace risks.

Impact of coronavirus (COVID-19)

In March 2020, the Victorian government announced a mandate and imposed lock down restrictions on the Victorian community in response to coronavirus. This has had a significant impact on the operating and economic environment for CES, and several policies and directions were introduced to assist. These included negotiating with suppliers, establishing remote working environments for employees, and moving engagement events online.

In addition, the management team have:

- continually monitored developments and liaise with DELWP to understand –
 - challenges impacting operations;
 - economic, regulatory and operational responses from government;
 - impacts on the CES control environment; and
- modified our planned financial audit timing and approach, in response to working remotely;
- maintained daily team meetings and frequent engagement and wellbeing checks with staff throughout.

Incident management

Incidents arising are addressed in the first instance by CES management with assistance from staff. More complex or serious incidents are managed by DELWP under DELWP's policies and procedures as a service function described in the SLA between DELWP and CES.

Employment and conduct principles (FRD 22H)

The CES team are employees of DELWP. CES is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably based on key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Through DELWP, CES introduced policies and practises that are consistent with the Victorian Public Service Commissioner's (VPSC) employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues.

Workforce data (FRD 22H & FRD 29B)

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

Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of CES, employed in the last full pay period in June of the current reporting period (2020), and in the last full pay period in June of the previous reporting period (2019). Employees have been correctly classified in workforce data collections.

Staffing increased slightly from 7.4 to 7.6 in the reporting period. This was due to the extension of administrative staff from 0.8FTE to full time. The total headcount as at June 2020 was eight staff. These figures include the Commissioner.

Table 7: Details of employment levels in June 2020

Workforce data	Ongoing employees		Fixed term employees		Headcount total
	Full time	Part time	Full time	Part time	
As at June 2020 Male	2	1	1	1	5
Female			3		3

REPORT OF OPERATIONS

Table 8: Workforce data over time (FTE)

Classification	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Statutory appointed Officer (Commissioner)	1	1	1	1	1	1	1
Executive Officer	1	0	0	0	0	0	0
Senior Technical Specialist	1	1	0	0	0	0	1
Administrative Staff	1	0.8	0.8	0.8	0	0	0
Senior Managers and operational staff	3.6	4.6	5.8	3	3	2	2
Total FTE	7.6	7.4	7.6	4.8	4	3	4
Male	4.6	4.6	2.8	1	1	1	2
Female	3	2.8	4.8	3.8	3	2	2

Table 9 discloses the annualised total salary for senior employees of the CES, categorised by classification. The salary amount is reported as the full-time annualised salary.

Table 9: Annualised total salary, by \$20,000 bands, for executive and other senior non-executive staff

Income band (salary)	Executive Officer	Senior Technical Specialist	VPS	Other (Statutory Officer)
< \$160,000			4.6	
\$160,000 – \$179,999		1		
\$180,000 – \$199,999	1			
\$200,000 – \$219,999				
\$220,000 – \$239,999				
\$240,000 – \$259,999				
\$260,000 – \$279,999				1
\$280,000 – \$299,999				
\$300,000 – \$319,999				
\$320,000 – \$339,999				
\$340,000 – \$359,999				
\$360,000 – \$379,999				
\$380,000 – \$399,999				
\$400,000 – \$419,999				
\$420,000 – \$439,999				
\$440,000 – \$459,999				
\$460,000 – \$479,999				
\$480,000 – \$499,999				
Total	1	1	4.6	1

Note: The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

Executive Officer data (FRD 15E)

An Executive Officer (EO) is defined as a person employed as an Executive under Part 3 of the *Public Administration Act 2004* (PA Act). For a public body, an EO is defined as an executive under Part 3 of the PA Act or a person to whom the Victorian Government's *Executive Remuneration Policy* applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or an Accountable Officer. The Commissioner is a statutory office holder and CES has one EO, in the role of Director, Office of the Commissioner.

The following tables disclose the EOs of CES for 30 June 2020:

- Table 10 discloses the number of EOs for CES, broken down by gender;
- Table 11 provides a reconciliation of executive numbers presented between the report of operations and Note 8.4 'Executive remuneration' in the financial statements; and
- Tables 10 and 11 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the 2019-20 financial year. Note 8.4 in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period. The financial statements Note 8.4 does not include the Accountable Officer, nor does it distinguish between executive levels.

Table 10: Total number of EOs for CES, broken down into gender

Class	<i>All</i>		<i>Women</i>		<i>Men</i>		<i>Self-described</i>	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	0	0	0	0	0	0	n	n
EO-2	0	0	0	0	0	0	n	n
EO-3	1	(1)	0	0	1	1	n	n
Total	1	(1)	0	0	1	(1)	n	n

Table 11: Reconciliation of executive numbers

		2020	2019
	Executives (financial statement Note 8.4)	1	0
	Accountable Officer (Commissioner)	1	1
<i>Less</i>	Separations	(0)	(0)
	Total executive numbers at 30 June	2	1

Other disclosures

Local Jobs First – Victorian Industry Participation Policy (FRD 25C)

In 2019-20, CES did not have any procurement activity meeting the criteria of \$3 million or more in metropolitan Melbourne and for state-wide projects, or \$1 million or more for procurement activities in regional Victoria.

Advertising expenditure (FRD 22H)

In 2019-20, there were no CES government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST).

REPORT OF OPERATIONS

Consultancy expenditure (FRD 22H)

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

In 2019-20, there were five consultancies where the potential, total fee payable to the consultant was \$10,000 or greater per Table 12 below. Only two of the five consultancies realised expenditure of more than \$10,000 this financial year, however all five are listed in relation to their purchase order value. The total expenditure incurred during 2019-20 in relation to these consultancies is \$49,322 (excluding GST). Details of individual consultancies are outlined below.

Table 12: Outline of consultancies (purchase order value) of over \$10,000 in 2019-20 financial year

Consultant	Purpose	Project start date	Project end date	Total approved project fee (excl. GST)	Expenditure 2019-20 (excl. GST)	Future expenditure (excl. GST)
Emily Ross Bespoke	Strategic communications	02/07/2019	31/12/2020	44,000.00	33,163.00	10,837.00
Acquia Inc.	IT System Provision	28/09/2019	27/09/2020	10,989.00	10,989.00	10,989.00
Cameron Allen	Expert advice	01/10/2019	31/12/2020	10,000.00	500.00	9,500.00
Alex Warder	Concept, design and artwork for communication material	15/06/2020	31/12/2020	10,000.00	770.00	9,230.00
Chris Smyth Consulting	State of the Environment 2018 Biodiversity Update	22/06/2020	31/12/2020	29,000.00	3,900.00	25,100.00

Details of consultancies under \$10,000

In 2019-20, there were seven consultancies engaged during the year where the total fees payable (purchase order value) to the individual consultant was less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies was \$32,398.75 (excl. GST).

Information and communications technology (ICT) expenditure (FRD 22H)

For the 2019-20 reporting period, CES had a total ICT expenditure of less than \$100,000 for business as usual operation. There were no project ICT expenses. The total ICT expenditure for the 2019-20 reporting period was \$17,850.

Disclosure of major contracts (FRD 12B)

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

Freedom of information (FRD 22H)

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by CES. For the 12 months ending 30 June 2020, the CES received no direct applications.

Making a request:

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in section 17 of the FOI Act. In summary, the requirements for making a request are:

- it should be in writing;
- it should identify as clearly as possible which document is being requested; and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of CES should be addressed to:

FOI & Privacy Unit
 Department of Environment, Land, Water and Planning
 PO Box 500
 East Melbourne VIC 8002
foi.unit@delwp.vic.gov.au

An application fee of \$29.60 is applicable and additional charges may also apply once access and processing costs are assessed.

If an applicant is not satisfied with a decision, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter. In order for the applicant's request for review to be valid, it must:

- be made within 28 days of receiving the refusal;
- be in writing;
- identify the relevant agency or Minister; and
- identify the decision the applicant would like reviewed.

Further information regarding the operation and scope of freedom of information requests can be obtained from the FOI Act, [regulations made under the FOI Act](#), and the [OVIC website](#).

Compliance with the Building Act 1993 (FRD 22H)

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

National Competition Policy (FRD 22H)

Under the National Competition Policy (NCP), the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if

REPORT OF OPERATIONS

it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair completion between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

CES does not include provision of services for a fee and is therefore not subject to competitive advantage applicable under NCP.

Compliance with the *Public Interest Disclosures Act 2012* (FRD 22H & PID Act)

The *Public Interest Disclosures Act 2012* (PID Act) enables people to make a disclosure about corrupt or improper conduct by a public officer or a public body.

CES is a public body for the purposes of the PID Act.

What is a public interest disclosure?

A public interest disclosure is a complaint of corrupt or improper conduct or detrimental action by a public officer or a public body.

'Improper or corrupt conduct' involves substantial mismanagement of public resources, risk to public health or safety or the environment, or corruption.

'Detrimental action' is action taken against a person in reprisal for making a public interest disclosure.

How do I make a public interest disclosure?

You can make a public interest disclosure about CES or its officers or employees by contacting the Independent Broad-based Anti-corruption Commission (IBAC), see details below.

CES is not able to receive public interest disclosures.

CES follows DELWP's policies and procedures in relation to the protection of persons from detrimental action in reprisal for making a public interest disclosure about CES, its officers, or employees.

Reporting procedures

Disclosures are to be made directly to the IBAC:

Address:	Level 1, North Tower, 459 Collins Street, Melbourne VIC 3001
Mail:	IBAC, GPO Box 24234, Melbourne VIC 3001
Phone:	1300 735 135
Website:	www.ibac.vic.gov.au
Email:	Please refer to the website for the secure email disclosure process, which also provides for anonymous disclosures.

Compliance with the *Commissioner for Environmental Sustainability Act 2003*

The Commissioner's role and the strategic and operational activities of the office are established under the CES Act 2003 available online at www.ces.vic.gov.au.

The objectives of CES as defined under section 7 of the CES 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; and
- 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 CES work program approved in the five-year business plan 2019-2024, delivers against the objectives and functions of the CES Act.

The CES complies with all statutory environmental reporting outputs and has also met the request from the Minister to produce a first SotBs report which was issued in December 2016. The next mandated output is the SMCE report which is due in 2021.

Office based environmental impacts (FRD 24D)

CES operates under an SLA with DELWP and, as such, its environmental management system data is captured within aggregated data in the DELWP Annual Report.

Additional departmental information available upon request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by CES and are available on request, subject to the provisions of the FOI Act:

- a) a statement of declarations of pecuniary interests for all relevant officers;
- b) details of publications produced by the entity about itself, and how these can be obtained;
- c) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- d) details of all consultancies and contractors including:
 - (i) consultants/contractors engaged; and
 - (ii) services provided; and expenditure committed to for each engagement.

The information is available on request from:

Commissioner for Environmental Sustainability
Phone: (03) 9948 2829
Email: info.ces@ces.vic.gov.au

The following financial statements comply with the Model Financial report as applied to the Commissioner for Environmental Sustainability.

COMMISSIONER FOR ENVIRONMENTAL SUSTAINABILITY FINANCIAL STATEMENTS (SD 5.2.1(B))

COMMISSIONER FOR ENVIRONMENTAL SUSTAINABILITY

These annual financial statements represent the audited general purpose financial statements of the Commissioner for Environmental Sustainability (CES) for the period 1 July 2019 to 30 June 2020. The purpose of the report is to provide users with information about the CES's stewardship of resources entrusted to it.

Financial statements	Page
Comprehensive operating statement	2
Balance sheet	3
Statement of changes in equity	4
Cash flow statement	5
Accountable officer's declaration and statutory certification	34
Notes to the financial statements	Page
1. About this report The basis on which financial statements have been prepared and compliance with reporting regulations.	6
2. Funding delivery of our services Revenue recognised from grants.	8
3. The cost of delivering services Employee expenses includes employee benefits, superannuation contributions and operating expenses.	10
4. Key assets available to support output delivery Property, plant and equipment.	14
5. Other assets and liabilities Receivables and payables.	17
6. How we financed our operations Borrowings, interest expense, cash flow information, leases and commitments for expenditure	19
7. Risks, contingencies and valuation judgements Financial risk management, contingent assets and liabilities as well as fair value determination	23
8. Other disclosures	29

COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Income from transactions			
Government grants	2.1	1,447,000	1,507,000
Total income from transactions		1,447,000	1,507,000
Expenses from transactions			
Employee expenses	3.1	(1,191,966)	(1,130,610)
Supplies and services	3.2	(271,024)	(747,341)
Depreciation	4.1.1	(9,588)	(11,534)
Interest expense	6.2	(1,146)	(569)
Total expenses from transactions		(1,473,724)	(1,890,074)
Net result from transactions (net operating balance)		(26,724)	(383,074)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets		0	(1,620)
Net gains/(losses) arising from revaluation of long service liability		(9,016)	(294)
Total other economic flows included in net result		(9,016)	(1,914)
Comprehensive result		(35,740)	(384,988)

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020	2019
		\$	\$
Assets			
Financial assets			
Cash and deposits	6.4	44,683	80,142
Receivables	5.1	530,860	475,938
Total financial assets		575,543	556,080
Non-Financial assets			
Property, plant and equipment	4.1	31,408	40,990
Total non-financial assets		31,408	40,990
Total assets		606,949	597,070
Liabilities			
Payables	5.2	33,147	34,069
Employee benefits provisions	3.1.1	343,949	287,908
Interest bearing liabilities	6.1	31,557	41,057
Total liabilities		408,653	363,034
Net assets		198,296	234,036
Equity			
Accumulated surplus		194,870	230,610
Contributions by owners		3,426	3,426
Net worth		198,296	234,036

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Accumulated surplus/(deficit) \$	Contribution by owners \$	Total \$
Balance at 1 July 2018	615,598	3,426	619,024
Comprehensive result	(384,988)	0	(384,988)
Balance as at 30 June 2019	230,610	3,426	234,036
Comprehensive result	(35,740)	0	(35,740)
Balance as at 30 June 2020	194,870	3,426	198,296

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts			
Receipt from government		1,393,557	1,499,097
GST received from ATO ^(a)		0	0
Total receipts		1,393,557	1,499,097
Payments			
Payments to suppliers and employees		(1,416,891)	(1,866,690)
GST paid to ATO ^(a)		(1,479)	2,410
Interest paid		(1,146)	(589)
Total payments		(1,419,516)	(1,864,869)
Net cash flows from/(used in) operating activities	6.4.1(b)	(25,959)	(365,772)
Cash flows from investing activities			
Purchases of non-financial assets		0	0
Sale of non-financial assets		0	0
Net cash flows from/(used in) investing activities		0	0
Cash flows from financing activities			
Principal portion of lease liabilities (2019: finance lease)(b)		(9,500)	(8,877)
Net cash flows from/(used in) financing activities		(9,500)	(8,877)
Net decrease in cash and cash equivalents		(35,459)	(374,649)
Cash and cash equivalents at the beginning of the financial year		80,142	454,791
Cash and cash equivalents at the end of the financial year	6.4.1(a)	44,683	80,142

The accompanying notes form part of these financial statements.

Note:

- a) GST paid to the Australian Taxation Office is presented on a net basis.
- b) CES has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments as operating activities.

1. ABOUT THIS REPORT

The Commissioner of Environmental Sustainability is a statutory office and government agency of the State of Victoria, established pursuant to an order made by the Premier under the *Commissioner for Environmental Sustainability Act 2003*.

Its address is: The Commissioner for Environmental Sustainability

Level 36, 2 Lonsdale Street

Melbourne, VIC, 3000

A description of the nature of its operations and its principal activities is included in the 'Report of operations', which does not form part of these financial statements.

Basis of preparation

These financial statements:

- cover the statutory office of the Commissioner of Environmental Sustainability as an individual reporting entity
- are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis
- have been prepared by applying the accrual basis of accounting, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period the estimate is revised and in future periods affected by the revision. Judgements and assumptions have been made by management in applying AAS have a significant effect on the financial statements and estimates. These relate to:

- Determining whether the performance obligations are sufficiently specific so as to determine whether the arrangement is within the scope of AASB 15 or AASB 1058; refer note 2.1.
- For leases, determining whether the arrangement is in substance short-term arrangement; refer note 6.3
- the fair value of property, plant and equipment; refer note 4.1
- the estimated useful lives over which non-financial assets are depreciated; refer note 4.1
- superannuation expense; refer note 3.1.2 and
- future salary movements and future discount rates. Refer 3.1.1

Compliance information

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049).

In 2019-20, a number of accounting standards were assessed and adopted by the CES for the first time and these include AASB 15 Revenue from Contracts with Customers, AASB 16 Leases, AASB 1058 Income of Not-for-Profit Entities. Further details and impacts are disclosed in the following:

- Note 2.1 Income from transactions.
- Note 3.1.4 Other operating expenses.
- Note 3.2 Operating expenditure commitments (other than public private partnerships).
- Note 5.1 Property, plant and equipment.
- Note 7.3 Leases liabilities (department as lessee).
- Note 9.4 Change in accounting policies.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction	Structure
<p>The Commissioner's role is to:</p> <ul style="list-style-type: none"> • report on the condition of Victoria's natural environment. • encourage decision making that facilitates ecologically sustainable development. • enhance knowledge and understanding of issues relating to ecologically sustainable development and the environment. • encourage Victorian and local governments to adopt sound environmental practices and procedures. <p>Income from transactions is the primary method the CES generates funds. To enable the CES to fulfill its objective and provide outputs, it receives income from grants provided by the Department of Environmental, Land, Water and Planning (DELWP).</p> <p><i>Significant judgement: Government grants</i></p> <p>The CES has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations.</p>	<p>2.1 Summary of income that funds the delivery of services</p>

2.1 Summary of income that funds the delivery of services:

	2020	2019
	\$	\$
Government grants		
Grants from DELWP	1,447,000	1,507,000
Total government grants	1,447,000	1,507,000
Total government grants – recognised as income of not-for-profit entities	1,447,000	1,507,000

CES has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058 *Income of Not-for-Profit Entities*. As CES does not receive any that are enforceable and with sufficiently specific performance obligations, AASB 15 *Revenue from contracts with customers* does not apply.

Grants from DELWP are generally without any sufficiently specific performance obligations and are recognised as income when CES has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, CES has recorded any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

The impact of initially applying AASB 1058 on the Department's grant revenue is described in Note 9.7. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements [AASB 1058.C3(b)]. The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

The decrease in government grants in year 2019-20 is mainly due to:

The decrease in other funding sources from DELWP

- In year 2018-19: Grant allowed by DELWP was \$80,000 for reporting framework project.

FINANCIAL STATEMENTS

- In 2019-20: In that 2019 is at the start of the reporting cycle only the Framework for the next cycle of work was produced and tabled in Parliament. No statutory reports were delivered in the 2019-20 financial year.

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the CES without receiving approximately equal value in return.

While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers).

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which the CES gains control over the assets.

3. THE COST OF DELIVERING SERVICES

Introduction	Structure
This note provides an account of the expenses incurred by the CES. In note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.	<ul style="list-style-type: none"> 3.1 Employee expenses <ul style="list-style-type: none"> 3.1.1 Employee benefits in the balance sheet 3.1.2 Superannuation contributions 3.2 Supplies and services <ul style="list-style-type: none"> 3.2.1 Audit fees

3.1 Employee expenses in the comprehensive operating statement

	2020	2019
	\$	\$
Employee expenses		
Salaries and wages	(922,323)	(856,331)
Defined contribution superannuation expense	(93,226)	(76,780)
Annual and long service leave	(124,752)	(131,044)
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	(51,665)	(66,455)
Total employee expenses	(1,191,966)	(1,130,610)

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

3.1.1 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2020	2019
	\$	\$
Current provisions		
Employee benefits⁽ⁱ⁾ - annual leave		
Unconditional and expected to be wholly settled within 12 months ⁽ⁱⁱ⁾	102,039	73,802
Unconditional and expected to be wholly settled after 12 months ⁽ⁱⁱⁱ⁾	2,366	662
Employee benefits^{(i)(iv)} - long service leave		
Unconditional and expected to be wholly settled within 12 months ⁽ⁱⁱ⁾	13,510	80,211
Unconditional and expected to be wholly settled after 12 months ⁽ⁱⁱⁱ⁾	115,489	66,398
Total employee benefits	233,404	221,073
Provisions for on-costs ^(iv)		
Unconditional and expected to be wholly settled within 12 months ⁽ⁱⁱ⁾	18,373	16,594
Unconditional and expected to be wholly after 12 months ⁽ⁱⁱⁱ⁾	19,351	11,352
Total provisions for on-costs	37,724	27,946
Total current provisions	271,128	249,019
Non-current provisions		
Employee benefits ⁽ⁱ⁾⁽ⁱⁱ⁾	62,544	31,873
Provisions for on-costs ⁽ⁱⁱⁱ⁾	10,277	7,016
Total non-current provisions	72,821	38,889
Total provisions	343,949	287,908

- (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.
- (iv) The commission has adopted the assumptions from the Department of Treasury and Finance 2008 Long Service Leave Model to split Long Service Leave provision between "settle within 12 months" and "settle after 12 months" for the current financial year.

Reconciliation of movement in on-cost provisions

	Total 2020 \$
Opening balance	34,962
Reduction provisions recognised	(18,847)
Additional arising from payments/other sacrifices of future economic benefits	33,312
Reductions resulting from re-measurement or settlement without cost	0
Unwind of discount and effect of changes in the discount rate	(1,426)
Closing balance	48,001
Current	37,724
Non-current	10,277
Total	48,001

Wages and salaries, annual leave and sick leave

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

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

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

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

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

Long service leave

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

Unconditional LSL is disclosed as a current liability, even where the CES does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the CES expects to wholly settle within 12 months; or

- present value – if the CES does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.1.2 Superannuation contributions

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the CES are as follows:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2020 \$	2019 \$	2020 \$	2019 \$
Defined contribution plans:				
Victorian Superannuation Fund – Vic Super Scheme	26,378	31,749	649	828
Various other	66,101	44,517	1,627	1,161
Total	92,479	76,266	2,276	1,989

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the CES.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of defined contribution superannuation plans that are paid or payable during the reporting period.

3.2 Supplies and services

	2020 \$	2019 \$
Supplies and services		
Community awareness and publicity	0	(4,023)
Contract and professional services	(148,557)	(578,487)
General expenses	(53,069)	(40,658)
IT expenses	(17,850)	(18,004)
Motor vehicle expenses	(5,522)	(2,622)
Office and accommodation expenses	(21,414)	(58,567)
Payments for shared services	(5,241)	(5,174)
Postage and telephone	(5,391)	(9,380)
Other operating expense	0	(41)
Travel and subsistence	(13,980)	(30,385)
Ex-gratia expenses	0	0
Total supplies and services	(271,024)	(747,341)

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The decrease in supplies and service expenses in year 2019-20 is mainly due to the decrease in reporting activities as no reports were released in this period. The release of reports involves a considerable increase in expenditure due to heightened engagement with stakeholders, editing, designing, printing, and media. The office is currently in the earlier stages of a new reporting cycle and as such there has been a decrease in supplies and service expenses.

FINANCIAL STATEMENTS

engagement with stakeholders, editing, designing, printing, and media. The office is currently in the earlier stages of a new reporting cycle and as such there has been a decrease in supplies and service expenses.

3.2.1 Audit fees

	2020	2019
	\$	\$
Victorian Auditor General's Office		
Audit or review of the financial statements ⁽ⁱ⁾	8,000	7,800
Total	8,000	7,800

(i) Audit fees expense for the year is included in Contract and professional services in note 3.2 supplies and services

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction	Structure
The CES controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the CES to be utilised for delivery of those outputs.	4.1 Property, plant and equipment 4.1.1 Depreciation and amortisation 4.1.2 Movements in carrying amounts of property, plant and equipment

4.1 Total property, plant and equipment

	2020 \$	2019 \$
Property, plant and equipment		
Motor vehicles (i)	43,387	43,387
Accumulated depreciation motor vehicles	(11,981)	(2,397)
Total motor vehicle	31,406	40,990
Plant and equipment	0	12,916
Accumulated depreciation for plant and equipment	0	(12,916)
Total plant and equipment	0	0
Total property, plant and equipment	31,406	40,990

(i) The motor vehicle above is a right-of-use asset which was treated as a finance lease in 2019

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

Right of use (leased) asset – initial recognition: a right-of-use asset and the corresponding lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

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

Right of use (leased) asset – subsequent measurement: right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined

FINANCIAL STATEMENTS

under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

4.1.1 Depreciation and amortisation

	2020	2019
	\$	\$
Depreciation and amortisation		
Right-of-use Asset - Motor vehicle	(9,588)	(7,229)
Plant and equipment at cost	0	(4,305)
Total depreciation	(9,588)	(11,534)

All motor vehicles and plant and equipment that have finite useful lives are depreciated. The exceptions to this rule include items under, assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

<i>Asset</i>	<i>Useful life</i>
Plant and equipment	3 to 42 years
Right-of-use - Motor vehicle	Term of lease (1 to 3 years)

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the CES obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

4.1.2 Movements in carrying amounts of property, plant and equipment

	2020	2019
	\$	\$
Movements in carrying amounts		
Opening balance	40,990	27,350
Additions	0	43,388
Disposals	0	(18,212)
Depreciation expense (refer to note 4.1.1)	(9,588)	(11,534)
Closing balance	31,402	40,990

The CES capitalises expenditures on individual items of \$5,000 (2019: \$5,000) or more and records these as non-financial assets.

5 OTHER ASSETS AND LIABILITIES

Introduction	Structure
This note sets out those assets and liabilities that arose from the CES's operations.	5.1 Receivables 5.2 Payables 5.2.1 Maturity analysis of contractual payables 5.3 Other non-financial assets

5.1 Receivables

	2020 \$	2019 \$
Current receivables		
Statutory		
Amounts owing from Department of Environment, Land, Water and Planning	528,580	475,137
GST input tax credit recoverable	2,280	801
Total statutory receivables	530,860	475,938
Total current receivables	530,860	475,938
Total receivables	530,860	475,938

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The CES applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Refer to note 7.2.1 for credit risk and impairment of statutory receivables.

5.2 Payables

	2020 \$	2019 \$
Current payables		
(a) Contractual		
Accrued expenses	33,008	34,069
Trade Creditors	139	0
Total contractual payables	33,147	34,069
(b) Statutory		
Taxes payable	0	0
Other payables	0	0
Total statutory payables	0	0
Total current payables	33,147	34,069
Total payables	33,147	34,069

Contractual payables are classified as financial instruments and measured at amortised cost. This includes trade creditors and other accrued expenses. Trade creditors represents liabilities for goods and services provided to the CES prior to the end of the financial year that are unpaid and arise when the CES becomes obliged to make future payments in respect of the purchase of those goods and services.

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

5.2.1 Maturity analysis of contractual payables

The following table discloses the contractual maturity analysis for the entity's contractual payables.

	Carrying Amount \$	Nominal amount \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months – 1 year \$	1-5 years \$	5+ years \$
2020							
Payables ⁽ⁱ⁾							
Total contractual payables	33,147	33,147	33,147	0	0	0	0
Total	33,147	33,147	33,147	0	0	0	0
2019							
Payables ⁽ⁱ⁾							
Total contractual payables	34,069	34,069	34,069	0	0	0	0
Total	34,069	34,069	34,069	0	0	0	0

(i) The value of payables disclosed exclude statutory payables (i.e. taxes payable).

6 HOW WE FINANCED OUR OPERATIONS

Introduction	Structure
<p>This note provides information on the sources of finance utilised by the CES during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities.</p> <p>This note also includes disclosures of balances that are financial instruments (such as borrowings and cash balances).</p>	<p>6.1 Borrowings</p> <p> 6.1.1 Maturity analysis of borrowings</p> <p>6.2 Interest expense</p> <p>6.3 Leases</p> <p>6.4 Cash flow information</p> <p>6.5 Commitments for expenditure</p>

6.1 Borrowings

	2020 \$	2019 \$
Current borrowings		
Lease liabilities ^(a)	31,557	9,500
Total current borrowings	31,557	9,500
Non-current borrowings		
Lease liabilities	0	31,557
Total non-current borrowings	0	31,557
Total borrowings	31,557	41,057

Notes:

(a) Secured by the assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through leases and other interest bearing arrangements.

Borrowings are classified as financial instruments. The CES determines the classification of its interest bearing liabilities at initial recognition.

All interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The CES recognises interest bearing liability costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.1.1 Maturity analysis of borrowings

The following table discloses the contractual maturity analysis for the entity's contractual interest bearing liabilities.

	Carrying Amount \$	Nominal amount \$	Maturity dates				
			Less than 1 month \$	1 - 3 months \$	3 months – 1 year \$	1-5 years \$	5+ years \$
2020							
Borrowings							
Lease liabilities	31,557	31,557	802	1,604	29,151	0	0
Total	31,557	31,557	802	1,604	29,151	0	0
2019							
Borrowings							
Lease liabilities	41,057	41,057	802	1,604	7,094	31,557	0
Total	41,057	41,057	802	1,604	7,094	31,557	0

6.2 Interest expense

	2020 \$	2019 \$
Interest expense		
Interest on lease liabilities	(1,146)	(589)
Total interest expense	(1,146)	(589)

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

6.3 Leases

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Motor vehicles are leased through the VicFleet lease facility. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 80,000 kms, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the CES.

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019)

Initial measurement

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

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

Subsequent measurement

The department depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as PPE. The right-of-use assets are also subject to revaluation as required by FRD 103H however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

6.3.1 Right-of-use Assets

Right-of-use assets are presented in Note 4.1.

6.3.2 Amounts recognised in the Comprehensive Operating Statement

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

	2020 \$
Interest expense on lease liabilities	(1,146)
Total amount recognised in the comprehensive operating statement	(1,146)

6.3.2 Amounts recognised in the Cashflow Statement

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

	2020 \$
Total amount recognised in the cashflow statement	(9,500)

6.4 Cash flow information and balances

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

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

	2020 \$	2019 \$
(a) Reconciliation of cash and cash equivalents		
Funds held in trust – cash	44,683	80,142
Total cash and deposits disclosed in the balance sheet	44,683	80,142
Balance per cash flow statement	44,683	80,142
(b) Reconciliation of net result for the period		
Comprehensive result	(35,740)	(384,988)
Non-cash movements		
Depreciation	9,588	11,534
Net gain/(loss) on non-financial assets (i)	0	1,620
Movements in assets and liabilities		
(Increase)/Decrease in receivables	(54,924)	(5,493)
Increase/(Decrease) in payables	(922)	12,376
Increase/(Decrease) in provisions	56,039	(821)
Net cash flows from operating activities	(25,959)	(365,772)

6.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

There are no commitments for expenditure (2019: Nil).

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction	Structure
<p>The CES is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This note sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied.</p>	<p>7.1 Financial instrument specific disclosures 7.2 Financial risk management objective and policies 7.3 Contingent assets and liabilities 7.4 Fair value determination</p>

7.1 Financial instrument specific disclosures

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the CES's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets under AASB 9

Financial assets at amortised cost

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

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

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

The CES recognises the following assets in this category:

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

Categories of financial liabilities under AASB 9

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

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

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

- the rights to receive cash flows from the asset have expired; or

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

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

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the CES' business model for managing its financial assets has changes such that its previous model would no longer apply.

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

7.1.1 Financial Instruments: categorisation

	2020			2019		
	Financial assets at amortised cost \$	Contractual financial liabilities at amortised cost \$	Total \$	Contractual financial assets \$	Contractual financial liabilities at amortised cost \$	Total \$
Contractual financial assets						
Cash and deposits	44,683	0	44,683	80,142	0	80,142
Total contractual financial assets	44,683	0	44,683	80,142	0	80,142
Contractual financial liabilities						
Payables ⁽ⁱ⁾						
Trade creditors	0	139	139	0	0	0
Accrued expenses	0	33,008	33,008	0	34,069	34,069
Borrowings						
Lease liabilities	0	31,557	31,557	0	41,057	41,057
Total contractual financial liabilities	0	64,704	64,704	0	75,126	75,126

(i) The amount of receivables disclosed excludes statutory receivables (i.e. taxes receivable).

(ii) The amount of payables disclosed exclude statutory payables (i.e. taxes payable).

7.2 Financial risk management objective and policies

The CES financial risk management program seeks to manage risks and the associated volatility of its financial performance.

The main purpose in holding financial instruments is to prudentially manage the entity's financial risks in the government policy parameters.

The CES is exposed to the following risks:

- Credit risk
- Liquidity risk.
- Market risk

7.2.1 Credit risk

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

Credit risk associated with the CES's contractual financial assets is minimal because the main debtor is the Victorian Government.

Impairment of financial assets under AASB 9

Statutory receivables and debt investments at amortised cost

The CES' non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected losses. No loss allowance has been recognised.

7.2.2 Liquidity risk

Liquidity risk is the risk that the CES would be unable to meet its financial obligations as they fall due. The CES 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.

The CES's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

7.2.3 Market risk

The CES's exposure to market risk is primarily through interest rate risk, with insignificant exposure to foreign currency and other price risks.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The CES does not hold any interest bearing financial instruments that are measured at fair value and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The CES has minimal exposure to cash flow interest rate risk through its term deposits.

The carrying amount of financial assets and financial liabilities that are exposed to interest rate risk are set out in the table below.

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount \$	Interest rate exposure		
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$
2020					
Contractual financial assets					
Cash and deposits	0.00% ⁽ⁱ⁾	44,683	0	0	44,683
Total		44,683	0	0	44,683
Contractual financial liabilities					
Payables: ⁽ⁱ⁾					
Payables		33,147	0	0	33,147
Borrowings	3.12%	31,557	31,557	0	0
Total		64,704	31,557	0	31,147
2019					
Contractual financial assets					
Cash and deposits	0.00% ⁽ⁱ⁾	80,142	0	0	80,142
Total		80,142	0	0	80,142
Contractual financial liabilities					
Payables ⁽ⁱ⁾					
Payables		34,069	0	0	34,069
Borrowings	3.12%	41,057	41,057	0	0
Total		75,126	41,057	0	34,069

(i) The amount of payables disclosed excludes statutory payables (i.e. taxes payable).

(ii) Weighted average is nil as the cash held in trust operates within the Department of Environment, Land, Water and Planning project trust account under s19 (2) of the *Financial Management Act 1994* as a specific purpose operating account.

The CES's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. Based on this historical data, the CES has no sensitivity to movements in market interest rates, as there are no financial instruments exposed to variable interest rates.

7.3 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There are no contingent assets or contingent liabilities (2019: Nil).

7.4 Fair value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- plant and equipment;

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

Fair value hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The CES determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The CES currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019-20 reporting period. These financial instruments include: cash and deposit, receivables and payables.

7.4.1 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
	\$	\$	\$	\$
Plant and equipment at fair value				
Right-of-use Asset - Motor vehicles	31,406	0	31,406	0
Plant and equipment at cost	0	0	0	0
Total	31,406	0	31,406	0

	Fair value measurement at end of reporting period using:			
	Carrying amount as at 30 June 2019	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
	\$	\$	\$	\$
Plant and equipment at fair value				
Right-of-use Asset - Motor vehicles	40,990	0	40,990	0
Plant and equipment at cost	0	0	0	0
Total	40,990	0	40,990	0

(i) Classified in accordance with the fair value hierarchy. There have been no transfers between levels during the period.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2020. For all assets measured at fair value, the current use is considered the highest and best use.

Vehicles are valued using the current replacement cost method. The CES acquires new vehicles and at times disposes of them before the end of their economic life.

7.4.2 Reconciliation of Level 3 fair value movements

	Plant and equipment (\$)	
	2020	2019
Opening balance	0	4,306
Purchases	-	-
Transfers in(out) of Level 3 – assets classified as held for sale	-	-
Transfers in(out) – free of charge	-	-
Transfers in(out) – from other categories	-	-
Depreciation expense	0	(4,306)
Gains/(losses) recognised in net result		
Recognition/(derecognition), (write-down) of assets	-	-
Gains/(losses) recognised in other economic flows – other comprehensive income		
Revaluation increments/ (decrements)	-	-
Closing balance	0	0

7.4.3 Description of significant unobservable inputs to Level 3 valuations

2020	Valuation technique	Significant Unobservable Inputs
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment

8 OTHER DISCLOSURES

<p>Introduction</p> <p>This note includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.</p>	<p>Structure</p> <p>8.1 Ex-gratia expenses 8.2 Change in accounting policy 8.3 Responsible persons 8.4 Executive remuneration 8.5 Related party disclosure 8.6 Subsequent events 8.7 Australian Accounting Standards issued that are not yet effective 8.8 Glossary</p>
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8.1 Ex-Gratia expenses

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

	2020 \$	2019 \$
Ex-gratia expenses		
Compensation payments	0	0
Total ex-gratia expenses	0	0

8.2 Change in accounting policy

CES has applied AASB 16 as of 1 July 2019. Under AASB 16, CES assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.3. On transition to AASB 16, CES has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019. Under AASB 16, the Department recognises right-of-use assets and lease liabilities for all leases except where exemption is available in respect of short-term and low-value leases.

As a lessee, CES previously classified its lease of motor vehicles as finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to CES. For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date. As a result, there has been no impact to the financial statements of CES other than the additional disclosures relating to leases in notes 4.1 and 6.3.

CES has also assessed the impact of AASB 1058 on the recognition of grant income. AASB1058 applies to annual reporting periods beginning on or after 1 January 2019. As the grants are received without any sufficiently specific performance obligations, they are recognized as income when the CES obtains control of the funds.

8.3 Responsible persons

The following table lists persons who held the positions of ministers and accountable officers of the CES:

Minister for Energy, Environment and Climate Change	The Hon. Lily D'Ambrosio MP	1 July 2019 to 30 June 2020
Commissioner for Environmental Sustainability	Dr Gillian Sparkes	1 July 2019 to 30 June 2020

The person who held the position of Accountable Officer of the CES was Gillian Sparkes.

Remuneration received or receivable by the Accountable Officer in connection with the management of the CES during the reporting period was in the range: \$280,000 – \$289,999 (2019: \$280,000 – \$289,999).

8.4 Executive remuneration

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

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

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

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

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

	2020	2019
	\$	\$
Remuneration of executive officers		
Short-term employee benefits	50,832	0
Post-employment benefits	4,795	0
Other long-term benefits	3,085	0
Termination benefits	0	0
Total remuneration of executive officers ⁽ⁱ⁾⁽ⁱⁱ⁾	58,711	0
Total number of executives	1	0
Total annualised employee equivalent (AEE) ⁽ⁱⁱ⁾	0.33	0

Note

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the department under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.6).
- (ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.
- (iii) Remuneration for staff who have acted in executive positions over two months have been included in the table above.

8.5 Related party disclosure

The CES is a wholly owned and controlled entity of the State of Victoria. Related parties of the CES include:

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

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

Key management personnel (KMP) of the CES are listed in note 8.3.

The remuneration breakdown of the CES's key management personnel is shown in the table below.

	2020	2019
	\$	\$
Compensation of key management personnel		
Short term benefits	250,941	243,485
Post-employment benefits	23,553	19,549
Other long-term benefits	6,400	5,477
Total	280,894	268,511

Remuneration of the relevant minister is included in the Department of Parliamentary Services financial statements.

Significant transactions with government related entities

The CES receives operating funding from the Department of Environment, Land, Water and Planning (see Note 2.1 Government grants). Refer to note 5.1 Receivables for amounts due from the Department of Environment, Land, Water and Planning for the year ending 30 June 2020.

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

8.6 Subsequent events

The CES is not aware of any other circumstances that have arisen, or information that has become available between 30 June 2020 and the date of final approval of this general purpose financial report that qualifies for inclusion as a post balance date event.

Following the declaration of a state of emergency in Victoria by the Premier due to the COVID-19 pandemic, the CES team quickly transitioned to remote working in March 2020. The team have demonstrated resilience and adaptability in moving to this new way of working, getting Go Connect active across the business team was challenging, but since this has been in place CES has managed to operate at close to business as usual.

8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. The CES is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. CES has not chosen to earlier adoption.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The CES is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

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

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by 1 year to periods beginning on or after 1 January 2023. The CES will not early adopt the Standard.

The CES is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

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

- *AASB 17 Insurance Contracts.*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*
- *AASB 2018-8 Amendments to Australian Accounting Standards – Definition of a Business.*
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*

8.8 Glossary

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 classified as 'other non-owner movements in equity'.

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 and statutory certification

The attached financial statements for the Commissioner for Environmental Sustainability have been prepared in accordance with Standing Direction 5.2 of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the entity at 30 June 2020.

At the time of signing, 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 statements for issue on 12th October 2020.

Dr Gillian Sparkes
Commissioner for Environmental Sustainability

Melbourne
12th October 2020

Sam Claringbold
Chief Financial Officer

Melbourne
12th October 2020

INDEPENDENT AUDITOR'S REPORT: VAGO



Independent Auditor's Report

To the Commissioner for Environmental Sustainability

<p>Opinion</p>	<p>I have audited the financial report of the Commissioner for Environmental Sustainability (the statutory office) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • accountable officer's declaration and statutory certification. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the statutory office as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the statutory office in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Commissioner's responsibilities for the financial report</p>	<p>The Commissioner of the statutory office is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioner is responsible for assessing the statutory office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

<p>Auditor's responsibilities for the audit of the financial report</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the statutory office's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner • conclude on the appropriateness of the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the statutory office's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the statutory office to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
14 October 2020



Paul Martin
as delegate for the Auditor-General of Victoria

DISCLOSURE INDEX

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

<i>Legislation</i>	<i>Requirement</i>	<i>Page reference</i>
<i>Ministerial Directions & Financial Reporting Directions</i>		
<i>Report of operations</i>		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	14
FRD 22H	Purpose, functions, powers and duties	14
FRD 8D	Departmental objectives, indicators and outputs	14
FRD 22H	Key initiatives and projects	15
FRD 22H	Nature and range of services provided	15
Management and structure		
FRD 22H	Organisational structure	22
Financial and other information		
FRD 8D	Performance against output performance measures	17
FRD 8D	Budget portfolio outcomes	17
FRD 10A	Disclosure index	39
FRD 12B	Disclosure of major contracts	33
FRD 15E	Executive officer disclosures	32
FRD 22H	Employment and conduct principles	30
FRD 22H	Occupational health and safety policy	30
FRD 22H	Summary of the financial results for the year	21
FRD 22H	Significant changes in financial position during the year	14
FRD 22H	Major changes or factors affecting performance	30
FRD 22H	Subsequent events	22
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	33
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	34
FRD 22H	Statement on National Competition Policy	34
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	34
FRD 22H	Details of consultancies over \$10 000	33
FRD 22H	Details of consultancies under \$10 000	33
FRD 22H	Disclosure of government advertising expenditure	32
FRD 22H	Disclosure of ICT expenditure	33
FRD 24D	Reporting of office-based environmental impacts	36
FRD 25C	Victorian Industry Participation Policy disclosures	32
FRD 25D	Local Jobs First disclosure	32
FRD 29B	Workforce Data disclosures	31
SD 5.2	Specific requirements under Standing Direction 5.2	7
Compliance attestation and declaration		
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	6
SD 5.2.3	Declaration in report of operations	6
<i>Financial statements</i>		
Declaration		
SD 5.2.2	Declaration in financial statements	71

<i>Legislation</i>	<i>Requirement</i>	<i>Page reference</i>
Ministerial Directions & Financial Reporting Directions		
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	6
SD 5.2.1(a)	Compliance with Ministerial Directions	6
Other disclosures as required by FRDs in notes to the financial statements ^(a)		
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	67
FRD 110A	Cash Flow Statements	42
<i>Note:</i>		
<i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.</i>		
Legislation		
	<i>Local Jobs First Act 2003</i>	32
	<i>Freedom of Information Act 1982</i>	33
	<i>Building Act 1993</i>	34
	<i>Public Interest Disclosures Act 2012</i>	34
	<i>Financial Management Act 1994</i>	6