



ANNUAL REPORT  
2009-2010

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for Environmental Sustainability Melbourne,  
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## **Commissioner for Environmental Sustainability ANNUAL REPORT 2009-2010**

## **Vision**

"My goal is to have a Victorian community where across generations and cultures we all contribute to a sustainable environment, where our social and cultural aspirations are realised and our economic prosperity is maintained."

*Professor Kate Auty, Commissioner Environmental Sustainability - Victoria*

## **Mission**

The Commissioner will encourage, engage and inform the Victorian community and government by monitoring our progress towards a sustainable future as we contend with the challenges of climate change.

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## Abbreviations

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CES	Commissioner for Environmental Sustainability
DSE	Department of Sustainability and Environment
EPA	Environment Protection Authority Victoria
EMS	Environmental Management Systems
ESF	<i>Our Environment Our Future</i> , Environmental Sustainability Framework
FRD	Financial Reporting Direction
FTE	Full Time Equivalent
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
SoE	State of the Environment
SV	Sustainability Victoria
The office	Office of the Commissioner for Environmental Sustainability
VAGO	Victorian Auditor General's Office

## From the Commissioner

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As the Commissioner for Environmental Sustainability I present this report for the year 2009-2010. The report reflects a period of consolidation and transition.

In the last twelve months my office developed a new strategic plan and business plan and conducted internal reviews of the previous strategic audit process, of frameworks, and of the office's organisational structure. This work was timely and necessary to clarify processes and strategic operations and it also provided an opportunity to refocus on the statutory objectives, accountabilities and functions of my role.

Over the last twelve months I have worked to increase community understanding of environmental sustainability and the impacts of climate change. I have broadened the base of the target audience to include not only government, the business sector and Non –government organisations, but also community groups not ordinarily consulted in discussions about environmental sustainability. This fulfils my statutory remit in obvious and subtle ways, expanding understandings of the extent of the social responsibility we all have for the environment. My role is not just about the transmission of facts but also about the participatory processes which invariably underpin successful change.

My office has responded to many requests to conduct panels at conferences, provide key note addresses and lecture graduate and undergraduate students. We have participated in community round tables and launched environmentally sustainable enterprises, and been involved in many leadership discussions and environmental sustainability events. This work has been undertaken all around Victoria. Significant efficiencies have been gained by organising field trips around a number of functions.

In the coming year I will continue to communicate the message that we all depend upon the environment and we are all responsible for sustainable practices. We can all, in formal and informal ways, play a role in addressing the environmental challenges which confront us with ever growing urgency. I will continue to showcase best practice in the community, agencies and in government, evidencing leadership and celebrating the work of change-agents. My office will continue to respond to requests to attend and contribute to community activities and take an active and positive role in generating better science communication, as we all know we have some way to go in this regard. The challenge for everyone involved in communicating the science of climate change and sustainability is to mainstream the messages and to avoid hubris. The work of my office will seek to respond to this challenge as it monitors and reports on the state of Victoria's natural environment and audits the actions of government agencies in managing their resource use and greenhouse gas emissions.

### **Accountable Officer's Declaration**

In accordance with the *Financial Management Act (FMA) 1994*, I present the Report of Operations for the Commissioner for Environmental Sustainability for the year ending 30 June 2010.



**Professor Kate Auty**

PhD, MEnvSc, Dip Int Env Law (UNITAR), BA(Hons)LLB  
Commissioner for Environmental Sustainability

## ***About us***

Victoria's Commissioner for Environmental Sustainability (CES), Professor Kate Auty, through a series of major projects and partnerships, promotes and encourages greater environmental sustainability across Victoria, while supporting leadership in best practice models and management systems in government.

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

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

### **Legislative objectives of the Commissioner under 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
  - Encourage the adoption of sound environmental practices and procedures by the Government of Victoria and local government as a basis for ecologically sustainable development.
- 
- **Commissioner's four major functions under the CES Act are to:**
  - Prepare a report on the state of the environment of Victoria at intervals not exceeding five years or at shorter intervals, in compliance with a framework for reporting
  - Conduct annual strategic audits of, and prepare reports on, the implementation of environmental management systems by agencies and public authorities
  - Audit public education programs relating to ecologically sustainable development and advise the Minister as to the effectiveness of the programs in encouraging the community to adopt ecologically sustainable development principles and practices
  - Advise the Minister in relation to any matter relating to ecologically sustainable development upon referral from the Minister.

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

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

## ***About this report***

In addition to Victorian Government annual reporting guidelines, the CES annual report this year takes into consideration the sustainability reporting guidelines of the Global Reporting Initiative (GRI); including the GRI Sector Supplement for public agencies. The GRI is the world's most widely used sustainability reporting framework and is a key tool driving organisations towards a sustainable future.

## Performance 2009-10

The following table provides a progress status against the key deliverables identified in the CES Business Plan for 2009-10. There were no major changes or factors affecting the performance of the office during 2009-10.

**Table- Performance against key deliverables**

<b>Priorities</b>	<b>Key Deliverables</b>	<b>Status</b>
Strategic audit program	<ul style="list-style-type: none"> <li>· Conduct the strategic audit and report (January 2010):               <ul style="list-style-type: none"> <li>○ Review and report on government's progress in respect of the Office's procurement reports (2006)</li> <li>○ Review EMS compliance</li> <li>○ Review ResourceSmart School Framework</li> </ul> </li> <li>· Review future strategic audits focus and methodology</li> </ul>	<ul style="list-style-type: none"> <li>· The strategic audit report addressed all key deliverables for the January 2010 strategic audit program. The strategic audit was completed and submitted to the Minister on 31 January 2010. The Minister tabled the report in Parliament on 23 March 2010</li> <li>· A review of future strategic audits, focus and methodology, is in progress and will be completed in 2010</li> </ul>
Communications & Engagement Framework	<ul style="list-style-type: none"> <li>· Expand outputs in relation to statutory objectives – enhancing knowledge and encouraging decision making across the community in the areas of climate change, green economy, built environment, sustainable production and consumption</li> <li>· Review the CES Reference Group</li> <li>· Develop a relationship with the Ministerial Reference Council on Climate Change Adaptation and other relevant bodies ie other jurisdiction Commissioners</li> <li>· Upgrade and maintain the Office website</li> <li>· Develop communication strategy</li> </ul>	<ul style="list-style-type: none"> <li>· This year the Commissioner and her office have been proactive in developing relationships, networks and participation in events across many topics and a broad range of communities in regional and metropolitan areas. The office stakeholder database developed in August 2009 has in excess of 400 active contacts as a result of this proactive networking</li> <li>· Membership of the CES Reference Group was reviewed in 2009-10 with a continuance of membership from the previous Commissioner's group at the invitation of the current Commissioner. Several new appointments were made and these will enhance cultural, social and business perspectives of the group. The CES Reference Group Terms of Reference were reviewed in February 2010</li> <li>· Relationships have been established with the Ministerial Reference Council on Climate Change Adaptation, the Victorian Centre for Climate Change Adaptation Research, the National Climate Change Adaptation Facility, the Inter-jurisdictional SoE Taskforce, the ACT Commissioner and other relevant bodies</li> <li>· Update of the office website is underway</li> <li>· The office Communication Strategy is in progress</li> </ul>
State of the Environment Report	<ul style="list-style-type: none"> <li>· Undertake planning and review for the next SoE cycle</li> <li>· Update and upgrade SoE 2008 fact sheets as required, making upgrades publicly available</li> <li>· Short survey of the take up of the SoE 2008</li> <li>· Consider and respond to Government's response to SoE recommendations</li> </ul>	<ul style="list-style-type: none"> <li>· Planning and review for the next SoE cycle was undertaken in 2009-10. This included extensive consultation about the drafting of new SoE framework which will be completed in 2010. SoE 2008 fact sheets are under further consideration. A short survey was sent to recipients of the SoE 2008. Results have been compiled</li> <li>· Government's response to SoE recommendations were considered by the office</li> </ul>
Education for Sustainability	<ul style="list-style-type: none"> <li>· Examine education material from strategic audit and provide report to Minister by March 2010</li> </ul>	<ul style="list-style-type: none"> <li>· Education material from strategic audit required further consideration and formed part of broader review. This work is underway and due for completion in 2010-11</li> </ul>
Corporate obligations	<ul style="list-style-type: none"> <li>· Submit 2008-09 Annual Report by October 2009</li> <li>· Develop and submit 2010-11 business plan and budget by June 2010</li> <li>· Establish Audit Committee</li> <li>· Comply with EMS and develop and adopt best practice remote technology strategy</li> <li>· Provide a safe and enabling workplace</li> <li>· Ensure staff access to professional development and training opportunities</li> </ul>	<ul style="list-style-type: none"> <li>· The 2008-09 Annual Report was submitted to the Minister in October 2009</li> <li>· Draft business plan and budget prepared for 2010-11 and submitted by 30 June 2010</li> <li>· Business Manager appointed for the office</li> <li>· Establishment of Audit Committee is underway</li> <li>· Complied with EMS and developed and adopted best practice remote technology strategy</li> <li>· Provided a safe and enabling workplace</li> <li>· Staff were provided with access to professional development/training opportunities throughout the year</li> </ul>

## **Environmental sustainability**

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Environmental sustainability in this section concerns, but is not limited to, the auditing and reporting functions of the Commissioner's office. This includes projects and partnerships which promotes and encourages greater environmental sustainability across Victoria, while supporting leadership in best practice models and management systems in government.

### **In this section**

- Environment management systems evaluation
- State of the Environment reporting
- Education for sustainability
- Minimising the office's environmental impact

## ***Environment management systems evaluation***

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

An Environmental Management System (EMS) is defined in the CES Act as the organisational structure, policies, practices, processes and procedures for implementing environmental management, including systems for designating responsibility for and allocating resources to environmental management.

As a means of improving regulatory compliance and reducing the use of resources, EMS are a quiet achievement that deserves to be more widely known. When working well, an EMS demonstrates the ease with which ecological sustainable decision-making can be made mainstream.

During 2009-10, the Commissioner completed the sixth annual Strategic Audit of the Victorian Government's environmental performance. This was Professor Kate Auty's first in the role. The report was tabled in Parliament by the Minister for Environment and Climate Change on 23 March 2010 (10 parliamentary sitting days from 31 January 2010). This report included three parts: an examination of government departments' and agencies' environmental performance, an assessment of procurement practices across government and a study of environmental sustainability in the education sector, focusing on the *ResourceSmart AuSSI Vic* framework.

### **Environmental Management System Evaluation Scope included:**

- Assessment of departments' and agencies' environmental performance as published in annual reports and a review of independent audits
- Status report on progress of specific recommendations made in the previous strategic audit reports
- Review of progress in implementing previous recommendations with respect to motor vehicles and goods and services relating to government offices
- Status report on the expansion of EMS to statutory authorities through *ResourceSmart* Government
- Consideration of the *ResourceSmart AuSSI Vic* framework management, governance arrangements, promotion and participation levels
- Showcasing of Victorian school initiatives aimed at reducing environmental impacts.

The CES Act makes provision to include advice or recommendations in relation to the implementation of international best practice in EMS. In this report international case studies from both the government and the education sectors were used to illustrate innovative approaches to the challenges of environmental sustainability in a time of climate change.

### **Methodology and Consultation**

A review of the policy framework and any significant policy shifts was conducted. Important issues were then identified, for example the EMS strategic audit included a focus on green procurement and sustainability in schools.

Meetings and interviews were held with staff from departments and agencies. These included but not limited to; the Department of Education and Early Childhood Development, Department of Sustainability and Environment, Department of Treasury and Finance and Sustainability Victoria. For this EMS Strategic Audit, consultation was extended to include fieldwork in the education sector to elaborate the roll-out of the important *ResourceSmart AuSSI Vic* framework.

Data was collected and examined to clarify meaning and whether it fully captured operational activity. The audit also took account of where government activities were located, what the departments' work entailed, and whether departments owned or leased their buildings.

The conduct of the EMS Strategic Audit is not a conventional auditing function. It is increasingly becoming an evaluation which generates a culture of evaluation influence. The EMS Strategic Audit was compiled in plain English and all acronyms were dispensed with. It has been circulated very widely to; members of the public, school communities, sustainability groups, women's groups, local government and the Indigenous community.

A review of the policy framework and any significant policy shifts was conducted. Important issues were then identified. This year, the strategic audit included a focus on green procurement and sustainability in schools.

#### **Process review**

During 2009-10, the Office commissioned an independent review of the EMS Strategic Audit process and its effectiveness. This will inform future strategic audit methodology and processes. Preparation for the next EMS Strategic Audit also includes field work with agencies engaged in the Government's *ResourceSmart* programs. The Commissioner has already engaged with a diverse range of agencies seeking to reduce their environmental impacts, including Film Victoria, Victorian Electoral Commission, Museum Victoria and Zoos Victoria.

## ***State of the Environment reporting***

State of the Environment reporting is a process for describing, analysing and communicating information about environmental condition and trends. Internationally, State of the Environment reporting began with the emergence of national environmental policies and regulatory regimes, the first reports being produced by Japan in 1969 and the United States in 1970.

Since the Earth Summit in Rio de Janeiro in 1992, which called for improved environmental information to help countries make environmentally informed decisions, State of the Environment reporting has become increasingly useful. Many countries produce at least one report and a number of countries are producing reports on a regular basis.

At a national level the most recent report for Australia was released in 2006 with the next report scheduled for 2011. In Victoria the most recent report was published in 2008.

#### **A reporting framework**

In Victoria, the Environmental Sustainability Act 2003 specifies that the Commissioner must prepare a framework to guide the preparation of the State of the Environment report(s). As at 30 June 2010, this framework was in development and due for completion in the second half of 2010.

To develop the framework, a very extensive process of interdisciplinary consultation was undertaken. It included discussions with community members from across the state and consultation with experts in a range of sectors, including academia, business, public policy, environmental management, economics and science communication.

#### **State of the environment reporting and local government**

In fulfilling the Commissioner's role in respect of local government the office has worked with the Municipal Association Victoria in the development of an innovative project examining how the office may respond to its charter to encourage ecologically sustainable development in local government. This work commenced at the behest of local government employees and councillors around the potential of local State of the Environment reporting. The Commissioner attended a number of local government initiatives, including those relating to youth and green skills.

## **Education for sustainability**

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

The office is undertaking is examining the application of adaptive governance principles in the assessment of public education programs as part of a broader audit of education for sustainability programs.

## **Minimising our office's environmental impact**

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

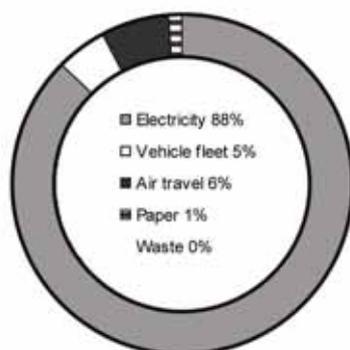
The environmental impacts of the office's day-to-day operations include resources used and associated carbon pollution as a tenant in a leased office building for up to eight staff. As the office is co-located with DSE, it operates within the department's Environmental Management Systems, which manages office-based activities related to water, energy and paper consumption, waste production, transport and purchasing.

The office has its own environmental strategy. This is based on the *ResourceSmart Government Environmental Strategy* template and it sets objectives and targets through action plans. A review of the office environmental strategy was undertaken in August 2009. The next review of the Strategy will take place in early 2010-2011. The areas targeted include facilities, travel, procurement and paper.

The following environmental performance data is presented in accordance with the Victorian Government's Financial Reporting Direction (FRD) 24C, reporting of office-based environmental data by government departments. This year the office has also referred to core Global Reporting Initiative indicators.

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

### **Our carbon footprint**



The chart above represents the office carbon footprint (percentage of CO<sub>2</sub>e - emissions per emission source) for 2009-2010.

### **Energy use**

The office energy data is measured in megajoules, obtained by a metering device which covers the entire DSE tenancy at 570 Bourke Street. In 2009-2010 the office purchased 45% of its energy as greenpower. Residual carbon emissions will be offset through an accredited offset program.

### **Water use**

As a tenant in the multi tenanted Bourke Street site, water data usage is extrapolated for the space the office occupies. To date, DSE has had limited opportunity to implement water saving actions. DSE in consultation with the building owner is investigating opportunities to improve water use efficiency at 570 Bourke Street in line with strategic office accommodation planning.

### **Being waste-wise**

The office-based waste is divided into three categories: landfill, compost and co-mingled recycling. The figure reported for 2009-10 is based on an internal waste audit conducted over 11 days in April 2010. The *Green Collect* initiative also allows for objects such as printer cartridges, CDs, DVDs, batteries and mobile phones to be collected from kitchen areas for recycling.

### **Our paper use**

The office tracks its photocopy, print and fax paper on a monthly basis. Actions to reduce paper consumption include default double-sided printing, including booklet printing, and the use of a single multi function device. All of the office's publications are available on-line but where hard copies are required, recycled stock are used and environmentally friendly printing processes are applied. For the printing of *EMS Strategic Audit January 2010*, recycled paper and vegetable ink was used.

### **Transportation choices**

The office environmental strategy's travel plan encourages staff to walk or use public transport to travel to meetings. The travel plan also encourages the use of alternatives to travel, such as teleconferencing. Staff travelled to and from work primarily by public transport, walking and bicycle. The office provides secure bicycle parking spaces for staff choosing to ride to work. The Commissioner chose not to have a vehicle under the Executive Car Scheme. Hybrid vehicles are used for essential work travel.

The office's environmental performance results for 2009-10 are provided in the following table.

### **Linking sustainability to our purchases**

Staff members are required to consider the environmental impacts of their procurement choices. The office worked closely with its suppliers in its contract specifications to ensure environmental credentials and recruitment promotes environmental sustainability objectives. For example, the selected supplier for the printing of *Strategic Audit January 2010* had their own environmental management system in place which included the use of solar power and tank water.

During 2009-10 the office established an eco-stationery cupboard. The office participates in the DSE Fairtrade working group meetings.

## Table- Environmental performance

### FRD24C indicators and related Global Reporting Initiative core indicators

Note: n/a indicates 'not available'. From 2007-08 the office has been located at 570 Bourke Street, Melbourne. In 2006-07 the office was located at 8 Nicholson Street. GRI core indicators have been identified where possible.

FRD Indicator <sup>21</sup>	FRD Indicator Detail	GRI Related Indicator <sup>21</sup>	GRI Indicator Detail	Consumption Units	2009-10	2008-09	2007-08	2006-07
E1	Total Energy Usage segmented by primary source (including Green Power)			Megajoules	100,736 <sup>1</sup>	99,897	127,512	66,910 <sup>2</sup>
E2	Greenhouse Gas Emissions associated with energy use, segmented by primary source			Tonnes CO <sub>2</sub> -e	20.78 <sup>3</sup>	21.81	27.84	24.65
E3	Percentage of electricity purchased as Green Power	EN3, EN17	Direct energy use segmented by primary source	% of total electricity consumption	45%	40%	40%	30%
E4	Units of Office Energy Used per FTE (including Green Power)			Megajoules / FTE	12,592 <sup>4</sup>	12,847	9,108	4,779
E5	Units of Office Energy Used per unit of Office Space			Megajoules / m <sup>2</sup>	450	446	569	297
Ws1	Total units of waste	EN11	Total amount of waste by type and destination	Kilograms	323	456	1122	657.5 (recycled only)
Ws2	Units of office waste disposed of per FTE			Kilograms/FTE	63 <sup>5</sup>	86	80	66
Ws3	Recycling rate <sup>6</sup>			% of total waste	98%	98%	92%	82%
Ws4	Greenhouse Gas Emissions associated with waste disposal			Tonnes CO <sub>2</sub> -e	0.01 <sup>7</sup>	0.1	0.10	n/a
P1	Total units of A4 equivalent copy paper used			Reams	49 <sup>8</sup>	152	114	91
P2	Units of A4 equivalent copy paper used per FTE <sup>9</sup>			Reams/FTE	6	19	8	6.5
P3	Percentage of recycled paper purchased containing 75%-100% recycled content			%	92.6	98.7	91	n/a
W1	Total units of metered water consumption by water source	EN5		Kilolitres	162.7 <sup>10</sup>	158.6	192	167
W2	Units of metered water consumed in offices per FTE by usage type			Litres/FTE	20,337 <sup>11</sup>	19,825	13,743	11,980
W3	Units of metered water consumed in offices per unit of office space			Litres/m <sup>2</sup>	726	708	859	n/a
T1	Total energy consumption by vehicle	EN3		Megajoules	11,494	3,547	752	1,930
T2	Total vehicle travel associated with entity operations segmented by vehicle type <sup>12</sup>	EN29		Kilometres	8,869 <sup>13</sup>	1,533.5	459	1,280

1 2009-10 energy use data excludes a shared data centre, which was included in 2007-08 energy use data

2 2006-07 represents energy usage at 8 Nicolson Street.

3 Emissions calculated using DSE FRD24C reporting calculator

4 Figures based on 8 Full Time Equivalents (FTEs) at 30 June 2010

5 FTE based on an average of 5.1 staff for the duration of an office run waste audit in April 2010

6 Recycling includes co-mingled and compost

7 Emissions calculated using Climate Friendly calculator

8 47 reams of A4 and one ream of A3

9 100% of A4 paper stock contains 75%-100% recycled content. All A3 paper contains under 75% recycled content

10 Water figure provided by DSE based on Multiplex Services Pty Ltd billing data. Figure is whole building use.

11 The variation of water usage between 2009-10 and 2006-07 litres per FTE figure reflects the difference in the extrapolated water use for the space occupied by the office between 570 Bourke Street and 8 Nicholson Street.

**Table- Environmental performance *continued***

<b>FRD Indicator<sup>21</sup></b>	<b>FRD Indicator Detail</b>	<b>GRI Related Indicator<sup>21</sup></b>	<b>GRI Indicator Detail</b>	<b>Consumption Units</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
T3	Total Greenhouse Gas emissions from vehicle fleet segmented by vehicle type			Tonnes CO <sub>2</sub> -e	<b>0.96<sup>14</sup></b>	0.26	0.05	0.13
T4	Greenhouse Gas emissions from vehicle fleet per 1000km segmented by vehicle type			Tonnes CO <sub>2</sub> -e/1,000km	<b>0.10</b>	0.17	0.11	0.10
T5	Total distance travelled by air			Kilometres	<b>4,298<sup>15</sup></b>	80,660	30,211	31,533
T6	Employees who regularly use public transport, cycling, walking or car pooling to and from work			% of total employees	<b>88%<sup>16</sup></b>	89%	93%	93%
G1	Total Greenhouse Gas emissions associated with energy use			Tonnes CO <sub>2</sub> -e	<b>20.78</b>	21.81	27.84	24.65
G2	Total Greenhouse Gas emissions from vehicle fleet			Tonnes CO <sub>2</sub> -e	<b>0.96</b>	0.26	0.05	0.13
G3	Total Greenhouse Gas emissions from air travel	EN34		Tonnes CO <sub>2</sub> -e	<b>1.5<sup>17</sup></b>	23.95 <sup>18</sup>	9.88	n/a
G4	Total Greenhouse Gas emissions associated with waste disposal			Tonnes CO <sub>2</sub> -e	<b>0.01</b>	0.2	0.10	n/a
G5	Greenhouse Gas emissions offsets purchased <sup>19</sup>	EN8	Greenhouse gas emissions	Tonnes CO <sub>2</sub> -e	<b>23.5</b>	50.6	39.96	29.9
G6	Any other known Greenhouse Gas emissions associated with other activities			Tonnes CO <sub>2</sub> -e	<b>0.3<sup>20</sup></b>	2.7	0.543	n/a

12 Kilometres travelled Includes estimated taxi travel, which will be offset retrospectively at the end of the financial year.

13 Approximate kilometres travelled, variance in 2009-10 reflects increased community engagement across Victoria by new Commissioner

14 Greenhouse gas emissions Includes estimated taxi travel

15 Variance for 2009-10 data relates to fewer number of domestic flights compared to previous years. There was no overseas flights in 2009-10

16 Sourced through a one week OCES staff travel survey conducted in February 2010

17 Air travel emissions calculated using DSE FRD24C reporting calculator

18 Variance is due increase due to increased air travel in 2008-09

19 Emissions offsets calculated and purchased through Climate Friendly Australia

20 Greenhouse gas emissions associated with paper production, calculation by Climate Friendly

21 Guidance for FRD24C, Guidance Manual for reporting, February 2008

## Social performance

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The social dimension of sustainability concerns the office's impacts on the social systems within which it operates. Social performance can be gauged through an analysis of the organisation's impacts on stakeholders.

### **In this section**

- Workforce analysis

- Working conditions

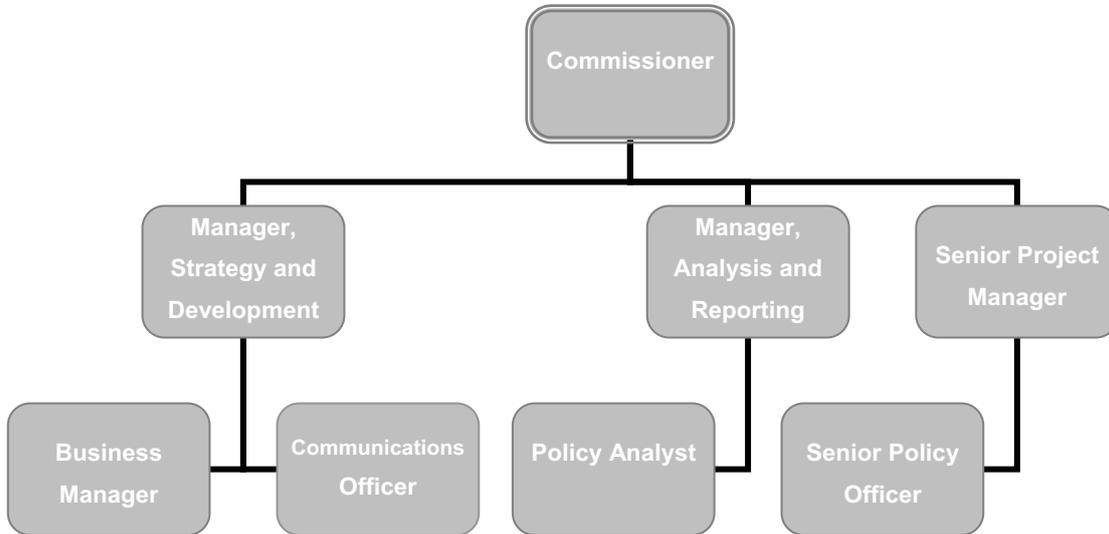
- Influencing sustainable outcomes through engagement and capacity building

- Our public face - Our website

## Workforce analysis

DSE provides support services to the office such as human resource management systems. During 2009-10 the Commissioner's office had up to eight staff.

The workplace structure as at June 2010:



## Working Conditions

The office complies to the Code of Conduct for Victorian Public Service, departmental policies and procedures and provides a range of services to support staff and keep the office a fair and safe place to work including:

### Human Rights

The Victorian Charter of Human Rights and Responsibilities is a law under the *Public Administration Act 2004*, which protects the human rights of all people in Victoria. The Charter contains 20 rights that reflect four basic principles – freedom, respect, equality and dignity. The office acts compatibly with the Charter and gives proper consideration to human rights when making decisions.

### Occupational health and safety

Staff have access to a range of programs provided by the DSE. The Commissioner is committed to providing and maintaining a safe and healthy workplace for all its employees, contractors and visitors. The Commissioner and DSE are also committed to ensuring that all employees are provided with the use of facilities, equipment, education and training to minimise and prevent workplace injury and illness.

These services include training and development programs, occupational health and safety courses, counselling services through the Employee Assistance Program and well-being 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.

### Equal opportunity

The office is committed to the principles of merit and equity in human resource management. All appointments during the reporting period were based on competitive selection processes. The Commissioner's staff are employed under the *Public Administration Act 2004*. This Act specifies a number of employment and conduct principles that must be observed by public sector organisations and their employees.

## **Diversity**

The office under DSE's Diversity (Inclusion) Action Plan supports government objectives for *A Fairer Victoria*, which aims to reduce inequality and disadvantage, share prosperity and build stronger more inclusive communities with opportunities for all.

To action these responsibilities, the office undertook the following:

- Engagement with culturally diverse communities
- Support for regional communities
- Support for the Council on the Ageing Victoria (COTA)
- Attendance at the Young Professionals Network forum
- Attendance at events supporting women in the environment and
- Mentoring.

## **Indigenous community**

The Commissioner is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. To raise awareness of such responsibilities, the office undertook an Indigenous Cultural Awareness workshop at the Koorie Heritage Trust in Melbourne. Further cross cultural engagement is continuing.

## **Learning and development**

Staff members receive appropriate training and experience to enhance their skills in a number of ways relevant and meaningful to the Commissioner's activities and responsibilities. A range of training and development programs were undertaken by staff in 2009-2010. Training undertaken ranged from policy development and implementation courses to information technology training courses.

## **Performance management**

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

## ***Influencing sustainable outcomes through engagement and capacity building***

In fulfilling the Commissioner's statutory responsibilities to engage with the community, enhancing its understanding of ecologically sustainable development and decision-making, the office has worked actively to expand its stakeholder groups all across Victoria and nationally.

During 2009-10, the Commissioner and the office spoke at and attended a variety of events across the state, with some of the stakeholder engagement highlights outlined in the table below. These events provided an opportunity to deliver key messages and enable diverse communities to be involved in discussions with the office in relation to issues such as climate change adaptation, sustainability through environmental management, green procurement and education.

The office responded to many requests to conduct panels at conferences, provide keynote addresses, lecture graduate and undergraduate students, participate in community round tables and launch environmentally sustainable enterprises, leadership discussions and events.

**Table- Stakeholder Engagement Highlights 2009-2010**

	<b><i>Commissioner presentations</i></b>	<b><i>Visits/Events</i></b>
<b>August</b>	<ul style="list-style-type: none"> <li>▪ EcoBuy Green Purchasing Expo</li> <li>▪ Regional Greenhouse Alliance meeting, Moreland</li> <li>▪ Sustainability Victoria Board</li> <li>▪ Green Paper on Climate Change Adaptation, Benalla</li> </ul>	<ul style="list-style-type: none"> <li>▪ Western District Primary Health Care community engagement project on co-benefits of environmental monitoring to health and climate change</li> <li>▪ Australian Research Council study regarding use of remote technology</li> <li>▪ Meetings with Victorian Centre for Climate Change Adaptation Research, Victorian Local Government Accord (VLGA), Violet Town Eco-Living Centre, Jigsaw farms revegetation project, Victorian Environmental Education Association, Victorian Environmental Assessment Council, Victorian Auditor General (VAGO), Victorian Aboriginal Community Services Association Ltd (VACSAL) and Health Issues Commissioner</li> <li>▪ Meeting Professor Rob Adams, Melbourne City Council</li> <li>▪ Meeting Victorian Government Architects</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>▪ CEDA - the role of the regional city in Australia's economic development, Bendigo.</li> <li>▪ Wimmera Biodiversity Seminar, Yanac</li> <li>▪ Coliban Water environmental officers discussion</li> <li>▪ Yorta Yorta Climate Change group</li> <li>▪ Victorian Environmental Education Association, Conference</li> </ul>	<ul style="list-style-type: none"> <li>▪ Catholic Education Office Sandhurst Diocese actions and plans regarding environmental education</li> <li>▪ Melbourne Zoo - exploring Zoo's EMS and community based conservation programs</li> <li>▪ Meetings with University of Melbourne, RMIT, Environmental Defenders Office, Environment Victoria, CERES, Victorian Environmental Assessment Council</li> <li>▪ Climate Works launch, Monash University</li> <li>▪ School visits including Benalla, Broadmeadows, Ballarat, Dimboola, Euroa, Christmas Hills, Frankston and Shepparton</li> <li>▪ Environmental Defenders Office transport seminar</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>▪ All Energy conference</li> <li>▪ EIANZ members conference</li> <li>▪ 1 Million Women Climate Change Campaign</li> <li>▪ Bendigo Sustainability Group</li> <li>▪ Bendigo Community Legal Service annual general meeting</li> <li>▪ Trust for Nature Covenant launch Wangaratta</li> <li>▪ Australian Industry Group Environmental Committee</li> </ul>	<ul style="list-style-type: none"> <li>▪ EPA, Melbourne</li> <li>▪ DPCD briefing Melbourne</li> <li>▪ Aboriginal Education project manager discussions</li> <li>▪ EPA Wangaratta</li> <li>▪ Schools design awards, Melbourne.</li> <li>▪ Australian Education Union</li> <li>▪ Women in sustainability – private sector</li> <li>▪ Medical practitioners regarding green procurement</li> <li>▪ Metropolitan Waste Management Group CEO</li> <li>▪ VLGA annual Mayor's Bike Ride for ride to work day</li> </ul>

<b>November</b>	<ul style="list-style-type: none"> <li>▪ ResourceSmart School Awards</li> <li>▪ Municipal Association Victoria Environmental Sustainability Group</li> <li>▪ CES Strategic Audit workshop</li> <li>▪ Run for a Safe Climate, Hepburn Wind Farm</li> <li>▪ Environment Defenders Office Annual General Meeting</li> <li>▪ Environmental Management Systems Coordinators' meeting</li> <li>▪ Australian Industry Group</li> </ul>	<ul style="list-style-type: none"> <li>▪ Workplace of the Future Accommodation Prototype, Department of Treasury and Finance</li> <li>▪ Yorta Yorta National Aboriginal Corporation &amp; Yorta Yorta Climate Change Group, Barmah</li> <li>▪ Tour of DPI Hamilton agricultural research development facilities, sustainability and catchment projects</li> <li>▪ Tour Jigsaw farm rehabilitation projects and Glenelg Hopkins CMA</li> <li>▪ VAGO meeting</li> <li>▪ Australian Research Council remote technology project</li> <li>▪ Australian Curriculum Council</li> <li>▪ Enterprise Connect round table</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>▪ RMIT Green Skills symposium</li> <li>▪ Metropolitan Transport Forum</li> <li>▪ DTF Green Procurement Task Force</li> <li>▪ Melbourne City Council Melbourne Conversation Series</li> </ul>	<ul style="list-style-type: none"> <li>▪ Victorian Local Sustainability Network meeting, Municipal Association of Victoria</li> <li>▪ Trust for Nature CEO meeting</li> <li>▪ Australian Centre for Corporate Responsibility meeting</li> <li>▪ Moreland Energy Foundation Ltd Green Town project launch</li> <li>▪ VACSAL-CEO and Project Officer.</li> <li>▪ VLine meeting</li> </ul>
<b>January</b>	<ul style="list-style-type: none"> <li>▪ Australia Day Event, Moreland</li> </ul>	<ul style="list-style-type: none"> <li>▪ Packaging Stewardship Forum-environmental projects</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>▪ Australian Centre for Corporate Social Responsibility conference, Melbourne</li> <li>▪ Sustainable Living Festival, Newham</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indigenous Cultural Awareness workshop, Koorie Trust Melbourne</li> <li>▪ Office staff attended Zoos Victoria skills- sustainability advisory group</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>▪ Barwon Water Sustainable Home and Garden Expo, Geelong</li> <li>▪ 1 Million Women Climate Change Campaign conference</li> <li>▪ Lake Bolac Eel festival</li> <li>▪ Environmental Law Committee, Law Institute of Victoria</li> </ul>	<ul style="list-style-type: none"> <li>▪ Department of Justice - Dhurringile and Beechworth prisons, environmental management</li> <li>▪ Strategic Audit report and sustainability in schools event, State Library of Victoria</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>▪ Melbourne Sustainability Festival coordinator of Indigenous peoples symposium</li> <li>▪ Australia Regional Women Leaders Convention</li> <li>▪ Rural Women's Leadership Program, Rutherglen</li> <li>▪ MAV national Environment Conference – Local Government Transitioning to a climate resilient future in Melbourne</li> <li>▪ The Earthnormous Big Day Out, Ballart, Independent schools</li> <li>▪ Northern Alliance of Greenhouse Associations' program, towards Zero Net Emissions' launch</li> </ul>	<ul style="list-style-type: none"> <li>▪ Australian Zero Emission Demonstration House opening</li> <li>▪ Field visit La Trobe Valley</li> <li>▪ Premier's Sustainability Awards</li> <li>▪ 'A Spatial Analysis of Macro Urban Form, Greenhouse Gases and Transport Energy Outcomes for Melbourne', Planning Institute of Australia</li> <li>▪ Victorian Coastal Council Awards</li> <li>▪ World Wildlife Fund Leaders for a Living Planet Award</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>▪ International Federation on Ageing Climate for Change: Aging into the Future, launch, panel member (2)</li> <li>▪ Rumbalara Football Netball Club – Green precinct environmental management systems round table</li> </ul>	<ul style="list-style-type: none"> <li>▪ Metropolitan Transport Forum meeting</li> <li>▪ Meetings with local government – including City of Yarra, Whittlesea, Wangaratta, Hume, Mount , Banyule, Shepparton, Latrobe, Frankston, Alexander, Hindmarsh and Ballarat</li> <li>▪ Green Hospitals Conference, Sydney</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>▪ Hosting the National 'State of the Environment' Taskforce, Melbourne</li> <li>▪ Violet Town Eco-Living Community Centre launch</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fenner Conference, Co-benefits climate change and health, Australian Academy Science, Canberra</li> <li>▪ National Climate Change Adaptation Conference, Gold Coast Convention Centre</li> <li>▪ Local Voices, Deliberative Democracy, Bright</li> </ul>

### **Associations and Memberships**

The office had a number of significant honours conferred on it in this last twelve months including:

- Associate to the University of Melbourne Sustainability Institute
- National Climate Change Adaptation Research Facility Indigenous Research Panel, as part of the writing and assessment team
- VCCAR-taskforce consultations
- United Nations Global Cities Program convened in Melbourne by RMIT.

### **Affiliations and information sharing relationships**

Locally and nationally the office is in active dialogue with:

- Victorian Environmental Protection Authority (EPA)
- Sustainability Victoria
- Victorian Local Government Sustainability Accord Advisory Committee
- Institute of Public Policy and Administration
- USA EPA
- The Climate Institute
- Monash Sustainability Institute
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- Office of the Chief Scientist
- ACT Commissioner for a Sustainable Environment.

Presentations and submissions were made to the Victorian Parliamentary Committee on Environment and Resources.

### **Strengthening Broad Spectrum Relationships**

To ensure the office clearly reflects the broad spectrum of people involved in environmental issues, it is keen to develop and foster relationships across cultures, generations, gender and geographical boundaries to explore co-benefits across sectors, to remedy absences and to ensure that community environmental sustainability efforts are being supported. Relationships include:

#### **Youth**

The office continues connections with the Melbourne University Masters of Environmental Science graduate program and with the Monash Sustainability Institute *GreenSteps* program and its affiliates. The office is also developing two graduate intern programs with Melbourne University science and law students. The Commissioner's Reference group now includes a youth representative.

#### **Older Victorians**

Population studies show that older Victorians are an increasingly significant demographic group. Older people play a major role in knowledge transfer and volunteer their time across sectors. The office has worked collaboratively with the Council on the Ageing Victoria (COTA) through extensive participation in the International Federation of the Ageing Conference including convening sessions about environmental justice and equity. The office continues to support the development of the COTA program, *Green Sages*.

#### **Rural Women**

The office has assisted the Commissioner to engage with women in environment, education and health settings. A particular focus is on the work of rural women in a variety of situations and across a number of sectors – agriculture, health and in specifically environmental activities.

#### **Indigenous community**

The office has cultivated relationships of trust and information sharing with Yorta Yorta people, Gundij Mara people and the Wurundjeri who are the traditional owners of the Melbourne region. The office has had very productive discussions with Yorta Yorta people about the State of the Environment Report.

### **Regional Victoria**

The office engaged extensively with regions, nature conservationists, organised and informal groups and in agricultural settings where climate change, drought and water scarcity are matters of urgent and obvious concern, from Ngambie to Warrnambool and Shepparton. The office has supported and been involved in deliberative democracy juries' pilot programs in Wangaratta and the Alpine Shire. The office has also sought to forge relationships with a diverse range of government agencies, local government agencies and departments in regional contexts.

### **Metropolitan Melbourne**

Engagement with stakeholders centrally included discussions focused on transport, planning and land use, water availability and energy concerns. The Commissioner was invited to attend a joint meeting of Greenhouse Alliance Groups at the Moreland Council. In June the Office hosted the National State of the Environment taskforce in Melbourne.

### **Commissioner's Reference Group**

The policies and processes used to manage impacts on communities include the Commissioner's Reference Group (CES), the maintenance of partnerships with relevant organisations and regular engagement mechanisms for managing community contributions to the work of the office.

The CES Reference Group provides advice and support to the Commissioner (Section 9(2)(b) *CES Act 2003*). The CES Reference Group is comprised of 15 non-government members identified and invited by the Commissioner with a range of interests and expertise including, youth affairs, environmental consultants, academics, industry, primary industries and older Victorians concerns.

The CES Reference Group provides an external perspective and opinions for consideration by the Commissioner on matters nominated by the Commissioner.

Current CES Reference Group members are:

Mr Alex Arbuthnot	Member, VFF Land Management Committee
Mr Dan Atkins	Managing Director, Shaper Group, Business Shaper
Dr. Sarah Bekessy	Lecturer, School of Social Science & Planning, RMIT University
Dr Gillian Sparkes	Dr Sparkes has retired from the Reference Group, assuming the role of Deputy Secretary-Corporate Services, Department Sustainability and Environment (2010)
Mr Mick Murphy	Chair, Victorian Catchment Management Council
Ms Kelly O'Shannassy	Executive Director, Environment Victoria, Environment Victoria
Mr Rob Gell	National President of Greening Australia Ltd, Director of World Wind Pty Ltd, Access Environmental Pty Ltd
Ms Tricia Caswell	CEO, Caswell & Associates
Ms Catherine Dale	CEO, City of Boroondara
Dr. Terry Walshe	Lecturer, School of Botany, University of Melbourne
Prof Lynette Russell	Chair, CAIS & Director Centre for Australian Indigenous Studies, Faculty of Arts, Monash University
Ms Sue Hendy	Executive Director, Council on the Aging, Council of the Aged Victoria
Mr Sean Lucy	Head of Performance Enhancement Solution/Environmental Finance Solution, National Australia Bank
Mr Tim Piper	Director, Victorian Branch, Australia Industry Group
Ms Linh Do	National Director, Change&Switch

**Table- Meeting attendance record of Reference Group members 2009-10**

Alex Arbuthnot	3	Prof Lynette Russell	0
Catherine Date	3	Tricia Caswell	3
Dan Atkins	2	Tim Piper	1
Dr. Gillian Sparkes	2	Dr Sarah Bekessy	3
Rob Gell	3	Dr Terry Walshe	2
Mick Murphy	2	Kelly O'Shanassy	3
Linh Do	0	Sean Lucy	1
Sue Hendy	2		

During 2009-2010 three CES Reference Group meetings were held (19 August 2009, 26 February 2010 and 21 May 2010).

## ***Our public face. Our website.***

In line with the Act (s.19, 21.) the Commissioner for Environmental Sustainability is required to make reports and information available publicly and on the Internet.

During 2009-10 the original CES website content was updated and its architecture was reviewed for operation within the current web content management system.

The update to the website included revising content and style . A temporary holding home page was created at this stage, to accommodate the website update phase and keep stakeholders informed.

### **Objectives of redesigning [www.ces.vic.gov.au](http://www.ces.vic.gov.au)**

- Update website with revised style and logo
- Improve navigation and usability
- Update information output and quality of content
- Improve accessibility

The new website will be implemented during 2010-2011.

## **Economic performance**

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This section outlines the nature of the office's operations and its principal financial activities.

### **In this section**

- Five Year Financial Summary
- Accountable Officer's declaration
- Financial Report
- Auditor General's Report
- Disclosure Index

## Five year financial summary

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Government contributions	1,564,324	1,545,652	1,485,380	1,131,993	1,472,770
<b>Total revenue</b>	<b>1,564,324</b>	<b>1,545,652</b>	<b>1,485,380</b>	<b>1,131,993</b>	<b>1,472,770</b>
Corporate, Administration & Projects	1,035,156	328,990	532,777	613,531	807,463
State of Environment Report	242,742	1,075,860	838,298	423,183	444,736
Strategic EMS Audit	286,426	140,802	120,067	93,269	220,571
<b>Total expenditure</b>	<b>1,564,324</b>	<b>1,545,652</b>	<b>1,491,142</b>	<b>1,129,983</b>	<b>1,472,770</b>
Non-current assets	0	0	0	0	3,207
Current assets	525,812	244,622	292,767	260,240	223,215
<b>Total assets</b>	<b>525,812</b>	<b>244,622</b>	<b>292,767</b>	<b>260,240</b>	<b>226,422</b>
Non-current liabilities	51,657	12,495	19,237	20,906	23,092
Current liabilities	474,481	232,453	273,856	233,898	199,904
<b>Total liabilities</b>	<b>526,138</b>	<b>244,948</b>	<b>293,093</b>	<b>254,804</b>	<b>222,996</b>

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

There were no significant changes in the 2009-10 financial position compared to 2008-09.

Note: The financial statements for the year ended 30 June 2010 have been corrected to reflect the resources received free of charge consistent with 2009-10.

COMMISSIONER FOR ENVIRONMENTAL  
SUSTAINABILITY

***Financial Report – 30 June 2010***

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

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

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

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

The financial report was authorised for issue by the Commissioner – Professor Kate Auty and Business Manager – Yvonne Ryczkowski on 27 August 2010.

For queries in relation to our financial reporting please call 13 61 86, or visit our website [www.ces.vic.gov.au](http://www.ces.vic.gov.au).

## Commissioner for Environmental Sustainability Financial Statements

### *Comprehensive operating statement for the financial year ended 30 June 2010*

	Notes	2010 \$	2009 \$
<b>Income from transactions</b>			
Output appropriations	1(e), 12	1,428,940	1,395,840
Fair value of services received free of charge or for nominal consideration	1(e), 2(a)	135,384	149,812
<b>Total income from transactions</b>		<b>1,564,324</b>	<b>1,545,652</b>
<b>Expenses from transactions</b>			
Employee expense	1(f), 3(a)	(962,307)	(1,055,654)
Grants and other expense transfers	1(f)	(205,145)	0
Other operating expenses	1(f), 3(b)	(396,872)	(489,998)
<b>Total expenses from transactions</b>		<b>(1,564,324)</b>	<b>(1,545,652)</b>
<b>Net result from transactions (net operating balance)</b>		<b>0</b>	<b>0</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	1(g)	0	0
Net gain/(loss) on financial instruments and statutory receivables / payables	1(g)	0	0
Other gains/(losses) from other economic flows	1(g)	0	0
<b>Total other economic flows included in net result</b>		<b>0</b>	<b>0</b>
<b>Net result</b>		<b>0</b>	<b>0</b>
<b>Other economic flows – other non-owner changes in equity</b>			
Changes in physical asset revaluation surplus		0	0
<b>Total other economic flows – other non-owner changes in equity</b>		<b>0</b>	<b>0</b>
<b>Comprehensive result</b>		<b>0</b>	<b>0</b>

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

## Balance sheet as at 30 June 2010

	Notes	2010 \$	2009 \$
<b>Assets</b>			
<b>Financial Assets</b>			
Receivables	1(h), 4, 10	525,812	244,622
<b>Total financial assets</b>		<b>525,812</b>	<b>244,622</b>
<b>Non-financial assets</b>			
<b>Total non-financial assets</b>		<b>0</b>	<b>0</b>
<b>Total assets</b>		<b>525,812</b>	<b>244,622</b>
<b>Liabilities</b>			
Payables	1(i), 5, 10	297,386	30,483
Provisions	1(i), 6	228,752	214,465
<b>Total liabilities</b>		<b>526,138</b>	<b>244,948</b>
<b>Net assets</b>		<b>( 326)</b>	<b>(326)</b>
<b>Equity</b>			
Accumulated deficit		(3,752)	(3,752)
Contributed capital	1(j)	3,426	3,426
<b>Net worth</b>		<b>( 326)</b>	<b>(326)</b>

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

Contingent liabilities and contingent assets 1(l), 8  
Commitment for expenditure 1(k), 9

## Statement of changes in equity for the financial year ended 30 June 2010

	Equity at 1 July 2009 \$	Total comprehensive result \$	Transactions with owners in their capacity as owners \$	Equity at 30 June 2010 \$
<b>Accumulated surplus/(deficit)</b>	<b>(3,752)</b>	<b>0</b>	<b>0</b>	<b>(3,752)</b>
<b>Contributions by Owners</b>	<b>3,426</b>	<b>0</b>	<b>0</b>	<b>3,426</b>
<b>Total equity at end of financial year</b>	<b>( 326)</b>	<b>0</b>	<b>0</b>	<b>( 326)</b>

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

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

## **Cash flow statement for the financial year ended 30 June 2010**

Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Receipts from government	1,309,444	1,565,834
Receipts from other entities	0	27,825
GST recovered	0	138
<b>Total receipts</b>	<b>1,309,444</b>	<b>1,593,797</b>
<b>Payments</b>		
Payments to grants and other expense transfers	(205,145)	0
Payments to suppliers and employees	(1,077,989)	(1,593,797)
GST paid	(26,310)	0
<b>Total payments</b>	<b>(1,309,444)</b>	<b>(1,593,797)</b>
<b>Net cash provided from operating activities</b>	<b>0</b>	<b>0</b>
11		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the financial year	0	0
<b>Cash and cash equivalents at the end of the financial year</b>	<b>0</b>	<b>0</b>

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

## ***Notes to the financial statements***

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# **Notes to the financial statements**

## **Note 1. Summary of significant accounting policies**

The annual financial statements represent the audited general purpose financial statements for Commissioner for Environmental Sustainability.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 16.

### **(a) Statement of compliance**

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

Where applicable, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the Commissioner for Environmental Sustainability on 27 August 2010.

### **(b) Basis of accounting preparation and measurement**

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of the entity.

In the application of AASs, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The report has been prepared in accordance with the historical cost convention. Historical cost is based on the fair value of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented for the year ended 30 June 2009.

### **(c) Reporting entity**

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

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

## Note 1. Summary of significant accounting policies (continued)

### Objectives and funding

The Commissioner's statutory objectives 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 by local governments as a basis for ecologically sustainable development.

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

### **(d) Scope and presentation of financial statements**

#### Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005* Cat. No. 5514.0 published by the Australian Bureau of Statistics (see Note 16 – *Glossary of terms*).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions 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.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

The net result is equivalent to profit or loss derived in accordance with AASs.

#### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into, financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

#### Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

#### Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

### **(e) Income from transactions**

#### Output appropriations

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

## **Note 1. Summary of significant accounting policies (continued)**

### **Fair value of services received free of charge or for nominal consideration**

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

### **(f) Expenses from transactions**

Expenses are recognised as they are incurred and reported in the financial year in which they relate.

#### **Employee expenses**

Employee expenses include superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans. In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period.

#### **Superannuation**

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

The Department of Treasury and Finance (DTF) in their Annual Financial Statements, recognise on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

#### **Grants and other expense transfers**

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants subsidies and other transfer payments to non-government entities.

#### **Other operating expenses**

Other operating expenses generally represent the day to day running costs incurred in normal operations.

#### *Supplies and services*

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

### **(g) Other economic flows included in net result**

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

### **(h) Financial assets**

#### **Receivables**

Receivables consist predominantly of amounts owing from the Victorian Government, debtors in relation to goods and services and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

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

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

## Note 1. Summary of significant accounting policies (continued)

### (i) Liabilities

#### Payables

Payables consist predominantly of creditors and other sundry liabilities.

Payable represent liabilities for goods and services provided to the entity at the end of the financial year, and arise when the entity becomes obliged to make future payments in respect of the purchase of those goods and services.

Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

#### Provisions

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

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

#### Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

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

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

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

##### (ii) *Long service leave*

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

*Current liability - unconditional LSL* (representing 7 or more years of continuous service) is disclosed in the notes to the financial statements as a current liability even where the entity does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

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

This non-current LSL liability is measured at present value. 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 (refer to Note 1(g) – *Other economic flows include in net result*).

##### (iii) *Termination benefits*

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

## **Note 1. Summary of significant accounting policies (continued)**

### *Employee benefits on-costs*

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

### **(j) Equity**

#### *Contributions by owners*

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

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

### **(k) Commitments**

Commitments are disclosed at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These are disclosed in Note 9 – *Commitments for expenditure*.

### **(l) Contingent liabilities and contingent assets**

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

### **(m) Accounting for Goods and Services Tax**

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

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

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

### **(n) Events after reporting date**

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

### **(o) Rounding of amounts**

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

### **(p) AASs issued that are not yet in affect**

Certain new AASs have been published that are not mandatory for the 30 June 2010 reporting period.

The Commissioner for Environmental Sustainability has assessed that these changes have not affected the entity's reporting requirements for the reporting period ended 30 June 2010. The entity has not, and does not intend to, adopt these standards early.

<b>Note 2. Income from transactions</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Fair value of services received free of charge or for nominal consideration:</b>		
Services (including rent, office equipment and IT services)	<b>135,384</b>	149,812
<b>Total fair value of services received free of charge or for nominal consideration</b>	<b>135,384</b>	149,812

<b>Note 3. Expenses from transactions</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Employee expenses</b>		
Salary and wages	<b>(715,964)</b>	(781,110)
Superannuation	<b>(63,701)</b>	(68,750)
Leave expenses	<b>(115,799)</b>	(135,631)
Other on-costs (fringe benefits tax, payroll tax and workcover levy)	<b>(66,843)</b>	(70,163)
<b>Total employee expenses</b>	<b>(962,307)</b>	(1,055,654)
<b>(b) Other operating expenses</b>		
<b>Supplies and services:</b>		
Contract and professional services	<b>(105,527)</b>	(136,561)
Postage and Telephone	<b>(7,876)</b>	(8,851)
Office Expenses	<b>(53,852)</b>	(81,196)
IT Costs	<b>0</b>	(29)
Motor Vehicle Costs	<b>(3,074)</b>	0
Travel and Subsistence	<b>(6,183)</b>	(38,725)
General expenses	<b>(24,615)</b>	(32,989)
Learning and Development Costs	<b>(36,077)</b>	(29,482)
Payments for Shared Services	<b>(32,450)</b>	(42,112)
Community Awareness and Publicity	<b>(17,361)</b>	(9,290)
Office and accommodation	<b>(109,187)</b>	(100,034)
<b>Total supplies and services</b>	<b>(396,202)</b>	(479,269)
<b>Operating lease rental expenses:</b>		
Minimum lease payments - operating leases	<b>(2,934)</b>	0
<b>Total operating lease rental expenses</b>	<b>(2,934)</b>	0
<b>Subtotal</b>	<b>( 399,136)</b>	( 479,269)
Cost of goods sold/distributed	<b>2,264</b>	(10,729)
<b>Total other operating expenses</b>	<b>(396,872)</b>	(489,998)

<b>Note 4. Receivables</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Current receivables</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	498,409	243,529
GST input tax credit recoverable	27,403	1,093
	<b>525,812</b>	<b>244,622</b>
<b>Total current receivables</b>	<b>525,812</b>	<b>244,622</b>
<b>Non-current receivables</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	0	0
<b>Total non-current receivables</b>	<b>0</b>	<b>0</b>
<b>Total receivables</b>	<b>525,812</b>	<b>244,622</b>

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

<b>Note 5. Payables</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors <sup>(i)</sup>	211,463	3,895
Other accrued expenses	82,770	24,214
Other (includes fringe benefits tax, payroll tax, and superannuation) payables <sup>(i)</sup>	1,564	1,515
	<b>295,797</b>	<b>29,624</b>
<b>Statutory</b>		
Taxes payable	1,589	859
	<b>1,589</b>	<b>859</b>
<b>Total current payables</b>	<b>297,386</b>	<b>30,483</b>
<b>Non-current payables</b>	<b>0</b>	<b>0</b>
<b>Total non-current payables</b>	<b>0</b>	<b>0</b>
<b>Total payables</b>	<b>297,386</b>	<b>30,483</b>

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

**(a) Ageing analysis of payables**

Refer to Table 10.2 in Note 10 for the ageing analysis of payables.

**(b) Nature and extent of risk arising from payables**

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

<b>Note 6. Provisions</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
Employee benefits <sup>(i)</sup> – annual leave [Note 6(a)]		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	<b>51,441</b>	28,342
Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	<b>2,543</b>	0
Employee benefits <sup>(i)</sup> – long service leave [Note 6(a)]		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	<b>63,958</b>	138,687
Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	<b>30,818</b>	0
	<b>148,760</b>	167,029
Provisions related to employee benefit on-costs:		
Unconditional and expected to be settled within 12 months <sup>(ii)</sup>	<b>21,981</b>	34,941
Unconditional and expected to be settled after 12 months <sup>(iii)</sup>	<b>6,354</b>	0
	<b>28,335</b>	34,941
<b>Total current provisions</b>	<b>177,095</b>	201,970
<b>Non-current provisions</b>		
Employee benefits <sup>(i)(iii)</sup> [Note 6(a)]	<b>43,392</b>	10,333
Provisions related to employee benefit on-costs <sup>(iii)</sup>	<b>8,265</b>	2,162
<b>Total non-current provisions</b>	<b>51,657</b>	12,495
<b>Total provisions</b>	<b>228,752</b>	214,465

<b>(a) Employee benefits and related on-costs</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Current employee benefits<sup>(i)</sup></b>		
Annual leave entitlements	<b>53,984</b>	28,342
Long service leave entitlements	<b>94,776</b>	138,687
	<b>148,760</b>	167,029
<b>Non-current employee benefits<sup>(i)</sup></b>		
Long service leave entitlements <sup>(iii)</sup>	<b>43,392</b>	10,333
<b>Total employee benefits</b>	<b>192,152</b>	177,362
Current on-costs	<b>28,335</b>	34,941
Non-current on-costs <sup>(iii)</sup>	<b>8,265</b>	2,162
<b>Total on-costs</b>	<b>36,600</b>	37,103
<b>Total employee benefits and related on-costs</b>	<b>228,752</b>	214,465

Notes:

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

<b>Long service leave</b>	<b>2010</b>	<b>2009</b>
Weighted average rates of increase in annual employee benefits to settlement of the liabilities	<b>4.48%</b>	4.45%
Weighted average discount rates	<b>5.16%</b>	5.50%
Weighted average terms to settlement of the liabilities	<b>12 Years</b>	12 Years

## Note 6. Provisions (continued)

### (b) Movement in provisions

	<i>On-costs</i> 2010 \$	<i>Total</i> 2010 \$
<b>Opening balance</b>	<b>37,103</b>	<b>37,103</b>
Additional provisions recognised	<b>2,285</b>	<b>2,285</b>
Reductions arising from payments/other sacrifices of future economic benefits	<b>0</b>	<b>0</b>
Reductions resulting from re-measurement or settlement without cost	<b>(2,788)</b>	<b>(2,788)</b>
Unwind of discount and effect of changes in the discount rate	<b>0</b>	<b>0</b>
Other	<b>0</b>	<b>0</b>
<b>Closing balance</b>	<b>36,600</b>	<b>36,600</b>
Current	<b>28,335</b>	<b>28,335</b>
Non-current	<b>8,265</b>	<b>8,265</b>
	<b>36,600</b>	<b>36,600</b>

## Note 7. Superannuation

### Government Employees' Superannuation Fund

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

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

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

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

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

<b>Fund</b>	<b>Paid contribution for the year 2010</b> \$	<b>Paid contribution for the year 2009</b> \$	<b>Contribution outstanding at year end 2010</b> \$	<b>Contribution outstanding at year end 2009</b> \$
<b>Defined benefit plan:</b>				
Emergency Services Superannuation Scheme	<b>9,524</b>	9,008	<b>240</b>	203
<b>Defined contribution plans:</b>				
Victorian Superannuation Fund – Vic Super Scheme	<b>30,031</b>	47,566	<b>756</b>	1,071
Various other	<b>22,582</b>	10,661	<b>568</b>	241
	<b>62,137</b>	67,235	<b>1,564</b>	1,515

## Note 7. Superannuation (continued)

The bases for contributions are determined by the various schemes.

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

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

## Note 8. Contingent liabilities and contingent assets

There are no contingent liabilities or contingent assets (2009: Nil).

## Note 9. Commitments for expenditure

There are no commitments for expenditure (2009: Nil).

## Note 10. Financial instruments

### (a) Financial risk management objectives and policies

The entity's principal financial instruments comprise of:

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

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

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

The carrying amounts of the entity's financial assets and financial liabilities by category are in Table 10.1.

**Table 10.1: Categorisation of financial instruments**

	2010			2009		
	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total	Contractual financial assets – loans and receivables	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>						
Receivables						
Trade receivables	0	0	0	0	0	0
<b>Total contractual financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contractual financial liabilities</b>						
Payables <sup>(i)</sup>						
Trade creditors	0	211,463	211,463	0	3,895	3,895
Other accrued expenses	0	82,770	82,770	0	24,214	24,214
Other payables	0	1,564	1,564	0	1,515	1,515
<b>Total contractual financial liabilities</b>	<b>0</b>	<b>295,797</b>	<b>295,797</b>	<b>0</b>	<b>29,624</b>	<b>29,624</b>

(i) The amount of payables disclosed exclude statutory payables (i.e. taxes payable) – Refer Note 5 – Payables.

## Note 10. Financial instruments (continued)

### (b) Credit risk exposures

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

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

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

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

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

#### **Contractual financial assets that are either past due or impaired**

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

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

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

There are no contractual financial assets that are past due but not impaired.

### (c) Liquidity risk

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

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

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

**Table 10.2: Maturity analysis of contractual financial liabilities**

	Nominal amount	Less than 1 month	Maturity dates			
			1 - 3 months	3 months – 1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$
<b>2010</b>						
<b>Payables:</b> <sup>(i)</sup>						
Trade creditors	211,463	211,003	460	0	0	0
Other accrued expenses	82,770	82,770	0	0	0	0
Other payables	1,564	1,564	0	0	0	0
<b>Total</b>	<b>295,797</b>	<b>295,337</b>	<b>460</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2009</b>						
<b>Payables:</b> <sup>(i)</sup>						
Trade creditors	3,895	3,895	0	0	0	0
Other accrued expenses	24,214	24,214	0	0	0	0
Other payables	1,515	1,515	0	0	0	0
<b>Total</b>	<b>29,624</b>	<b>29,624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

(i) The amount of payables disclosed exclude statutory payables (i.e. taxes payable) – Refer Note 5 – Payables.

## Note 10. Financial instruments (continued)

### (d) Market risk

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

### (e) Fair value

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

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

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

## Note 11. Notes to Cash flow Statement

Reconciliation of net result for the reporting period to net cash inflow from operating activities	2010 \$	2009 \$
<b>Net result for the reporting period</b>	<b>0</b>	<b>0</b>
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(281,190)	48,145
Increase/(decrease) in payables	266,903	(31,375)
Increase/(decrease) in provisions	14,287	(16,770)
<b>Net cash inflow from operating activities</b>	<b>0</b>	<b>0</b>

## Note 12. Summary of compliance with annual parliamentary appropriations

	2010 \$	2009 \$
<b>(a) Total controlled appropriations applied</b>		
<b>Provision of output</b>		
Annual Parliamentary Appropriations	1,428,940	1,395,840
<b>Total provision of output appropriations applied</b>	<b>1,428,940</b>	<b>1,395,840</b>

## Note 13. Responsible persons

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

### Names

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

Minister for Environment and Climate Change	The Hon. Gavin Jennings MP	1 July 2009 to 30 June 2010
Commissioner for Environmental Sustainability	Prof Kate Auty	1 July 2009 to 30 June 2010

### Remuneration

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

	2010 No.	2009 No.
<b>Income band</b>		
\$190,000 – 199,999	0	1
\$250,000 – 259,999	1	0

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

### Other transactions

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

## Note 14. Remuneration of auditors

	2010 \$	2009 \$
--	------------	------------

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

Paid as at 30 June	0	0
Payable as at 30 June	6,100	5,600
	<b>6,100</b>	<b>5,600</b>

## Note 15. Subsequent events

The entity is not aware of any other circumstances that have arisen, or information that has become available between 30 June 2010 and the date of final approval of this general purpose financial report that qualifies for inclusion as a post balance date event.

## Note 16. Glossary of terms

### **Actuarial gains or losses on superannuation defined benefit plans**

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

### **Commitments**

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

### **Comprehensive result**

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

### **Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, defined benefit superannuation plans, and defined contribution superannuation plan.

### **Financial asset**

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

### **Financial liability**

A financial liability is any liability that is:

- (a) A contractual or statutory obligation:
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

### **Financial statements**

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

## **Note 16. Glossary of terms (continued)**

### **Grants and other expense transfers**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

### **Net result**

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

### **Net result from transactions/net operating balance**

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### **Other economic flows**

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

### **Payables**

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

### **Receivables**

Includes amounts owing from government through appropriation receivables, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

### **Supplies and services**

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

### **Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

## ***Accountable Officer's declaration***

We certify that the attached financial statements for the Commissioner for Environmental Sustainability have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2010 and financial position of the entity at 30 June 2010.

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

We authorise the attached financial report for issue on 27 August 2010.

Professor Kate Auty  
Commissioner for Environmental Sustainability



Melbourne  
27 August 2010

Yvonne Ryczkowski  
Business Manager



Melbourne  
27 August 2010

# Victorian Auditor-General's Report

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### To the Commissioner for Environmental Sustainability

##### *The Financial Report*

The accompanying financial report for the year ended 30 June 2010 of the Commissioner for Environmental Sustainability which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the accountable officer's declaration has been audited.

##### *The Commissioners' Responsibility for the Financial Report*

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

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

##### *Auditor's Responsibility*

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

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

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8801 7000 Facsimile 61 3 8801 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report published in both the annual report and on the website of the Commissioner for Environmental Sustainability for the year ended 30 June 2010. The Commissioner is responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyper-linked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Commissioner for Environmental Sustainability website.

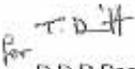
### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Commissioner for Environmental Sustainability as at 30 June 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
30 August 2010

  
For  
D D R Pearson  
Auditor-General

## **Statements of Legislative Requirements**

The office's administration in areas of financial management and account management, industrial relations, human resources and administrative procedures are provided by DSE. The Commissioner has adopted the DSE systems, controls, procedures and policies.

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

### **Consultancies**

One consultancy was entered into during the reporting period for expert analysis and advice in relation to the reviewing of the strategic audit process. This was valued at just under \$25,000.

### **Major contracts**

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

### **National Competition Policy**

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

### **Overseas Travel**

No overseas travel was undertaken in the reporting period.

### **Community Inclusiveness**

The Commissioner is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. During the reporting period, the Commissioner spoke at a variety of public seminars and forums.

### **Whistleblowers Protection Act 2001**

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

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

### **Declaration of Private Interests**

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

### **Equal employment opportunity**

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

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

#### **Employers must ensure**

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

#### **Employees must**

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

**Table- Workforce data as at 30 June 2010**

Workforce data		Ongoing employees		Fixed term employees	Total
		Full time	Part time		
June 2010	Male	0	2	0	2
	Female	3	0	3	6

The ratio of male to female staff members as at 30 June 2010 is 1 to 4

Note : The data in the table above is derived using Financial Reporting Directive 29 relating to workforce data.

**Table- Workforce data breakdown overtime**

Workforce data overtime	2009-10	2008-09	2007-08	2006-07
Executive Officers (greater than \$100,000)	1	1*	1	1
Director		1	1	1
Executive Support	3	1	1	1
Program and operational staff	4	5	11	9
Male	2	2	6	5
Female	6	6	8	7
<b>Total</b>	<b>8</b>	<b>8</b>	<b>14</b>	<b>12</b>

Note: Professor Kate Auty was appointed on 19 June 2009. Professor Kate Auty commenced on 6 July 2009.

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

#### **Occupational health and safety**

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

#### **Human rights**

The Victorian Charter of Human Rights and Responsibilities is a law that protects the human rights of all people in Victoria. The office acts compatibly with the Charter and gives proper consideration to human rights when making decisions. DSE departmental orientation and learning and development course – *Working at DSE*, incorporates human rights in the training course content. As part of the induction process for DSE, this course is mandatory for all new staff.

#### **Industrial relations**

The office staff are employed under the *Victorian Public Service Agreement 2006*. The office adheres to DSE HR policies and is consistent with the industrial relations requirements and obligations and ensures that they are applied to all staff in a fair and equitable manner. There was no time lost due to accidents or industrial disputes.

#### **Reference Group**

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

#### **Freedom of Information**

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

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

An application fee of \$23.90 applies at the time of this report's publication. In the 2009-2010 reporting period there were no requests for information under the FOI Act.

## **Publications**

The Commissioner's publications and reports are available on the Commissioner's website [www.ces.vic.gov.au](http://www.ces.vic.gov.au). CES complied to FRD 30 requirements, meeting all the new design and print specifications when producing this annual report to ensure consistency, cost minimisation and low environmental impact. For further information about publications, contact (03) 8636 2197.

## **Subsequent events which will affect operations in future years**

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

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

The office does not own or control its building facilities and therefore is exempt from notification of the building and maintenance provisions of the *Building Act 1993*.

## **Statement of availability of other information**

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

## **Victorian Industry Participation Policy (VIPP)**

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

The office did not enter into any contracts to which VIPP applies.

## **Risk management**

Administrative systems such as financial, information technology, payroll, registry, OH&S, procurement and facilities are provided by DSE and the Government's Shared Business Systems.

Independent oversight of the Commissioner's operations include:

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

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

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



Professor Kate Auty  
Commissioner for Environmental Sustainability  
Melbourne 2010

## Disclosure Index

The 2009-10 Annual Report of the Commissioner for Environmental Sustainability is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the authorities' compliance with statutory disclosure requirements.

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