

Annual Report **2013-14**

Reclaiming Victoria's Environment



Opening of Frankston Enviro-Hub June 2014

We are one of Australia's leading environment groups, independent and not-for-profit.

We advocate for big, important and permanent changes to safeguard our environment and the future wellbeing of all Victorians.



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About this report

Environment Victoria produces an Annual Report describing our activities and performance over the reporting period, including our sustainability performance. In striving for a sustainable planet, we are conscious of the economic, social and environmental impacts of our activities and committed to measuring our performance and minimising our environmental impact.

This report covers our activities for the 2013-14 financial year and discloses those activities of most interest to our key stakeholders, our financial performance and the direct sustainability impacts of our operations.

We have used the Global Reporting Initiative (GRI)'s G3 Sustainability Reporting Framework to assist us and have self-declared this report to be in accordance with Application Level C.

We have structured this report to respond to align with our 13-14 Annual Plan and our Charter. It outlines our performance against our strategic objectives, which were developed in consultation with our key stakeholders a few years ago.

We welcome feedback regarding the content of this report and our activities generally. All correspondence can be directed to admin@environmentvictoria.org.au or by calling 9341 8100.



ABOUT US

Environment Victoria is one of Australia's leading environment groups, independent and not-for-profit.

We advocate for big, important and permanent changes to safeguard our environment and the future wellbeing of all Victorians.

A healthy environment underpins the lives, health and prosperity of all Victorians and safeguarding our environment is critical to our wellbeing. Right now our environment and climate are in serious trouble and, because of this, so are all Victorians.

We can restore our environment, safeguard our climate and secure a healthy future. Victoria can have a safe climate, healthy rivers and magnificent forests rich with wildlife as well as liveable cities and communities. By making the necessary changes to power our cities and industries with clean energy, eliminate waste and restore natural capital we will also create hundreds of thousands of new sustainable jobs; modern, smart industries and a more prosperous, resilient future.

We all have a responsibility to act. Our choices today will determine the future for our environment and of all Victorians. Because the challenges we face are both urgent and large, our response must be too. That's why we advocate for big, important and permanent changes and help Victorians to do the same.

Our vision for Victoria

Our vision for Victoria in 2050 is that of a sustainable state where the climate is safe and stable, where natural assets have been restored and healthy ecosystems support our lives, and where every Victorian lives within the means of the one planet we share. Victorians are happy and healthy, enjoying a good quality of life in an incredible place to live.

Our goals for Victoria

Safe Climate

2050 The global climate is safe for all living things.

2020 Victoria has helped to avoid the most dangerous impacts of climate change by taking responsibility for its high levels of greenhouse gas emissions at the turn of the century and halving them by 2020.

Healthy Ecosystems

2050 Victoria's ecosystems are restored, healthy and sustainable.

2020 Victoria has halted the continued decline of its ecosystems and they are on the road to recovery.

One Planet Living

2050 Victorians live well and our ecological footprint is sustainable.

2020 Victoria's ecological footprint has been reduced by at least 25 percent.

Our values

- » **Courage** to always speak up for our environment
- » **Respect** for people and for nature
- » **Inclusivity and fairness** in the way that we work and the outcomes we seek
- » **Pride** in our environment and our work

Our operating model

Environment Victoria has a three-point approach to achieving our vision and goals

- **Shared solutions** - We work with others to develop bold solutions that rapidly transition Victoria to a sustainable future.
- **Empowerment** - We inspire people, governments and businesses to take action on environmental solutions through advocacy, education and empowerment.
- **Accountability** - We hold people of influence, governments and businesses to account for their decisions and actions through research, report cards, public commentary, thought leadership and showcasing best practice.



A MESSAGE FROM OUR PRESIDENT AND CEO

This year we've had a very clear mission at Environment Victoria. Firstly we've been building, training and mobilising our supporter base to achieve the best possible environmental outcomes at this year's state election. Secondly the Board and staff have been focussed on continuing our efforts to achieve financial security and independence so that we can take on the critical environmental battles that need to be fought and resource them effectively.

It's been a difficult year for the environment both at a state and federal level. Australia became the first country in the world to remove its carbon price. In Victoria the state government continued their disappointing attacks on the environment and clean energy even after the Hazelwood mine fire covered the town of Morwell with toxic smoke for weeks, providing a compelling example of why we need to clean up our dirty energy supply.

Despite this challenging environment we managed to achieve significant campaign outcomes including substantially growing our supporter base and empowering volunteers to be better equipped for the campaigns ahead. Environment Victoria is leading the way nationally with its investment in community organising and people power. We are currently delivering one of the deepest election campaigns any environment group has ever undertaken in Australia.

We opened a community 'EnviroHub' in Frankston and have recruited and trained hundreds of volunteers across electorates vital for the upcoming state election and future elections, so that we can have thousands of conversations with undecided voters about the importance of strong environment policies from all parties.

We've also been building strong alliances. This year we partnered with progressive businesses to form the Future Economy Group. This group has commissioned and released groundbreaking research demonstrating that the Victorian economy will perform better if we restore and protect our natural environment.

Our safe climate campaign has successfully worked to further delay new coal licences being issued in the Latrobe Valley and the development of a new polluting brown coal export industry.

We've published an online atlas of the rivers of Victoria which looks at their health and the policy solutions that would restore them. We've secured financial support for farmers who want to protect riverbanks by fencing them off and preventing livestock from trampling our rivers.

And our Sustainable Living programs have worked with multicultural communities and new families to reduce their energy and water use and help them live more sustainably.

Our long-serving and widely respected CEO Kelly O'Shanassy moved on this year to lead the Australian Conservation Foundation. This is an important role for the movement, and Kelly's appointment is acknowledgement of Environment Victoria's leadership in the national environment movement.

From an organisational perspective, we continue to work hard to strengthen our finances to support our long-term sustainability. We have seen the continued growth of our supporter base (up to 62,600 from 43,000 last year) and further developed our fundraising model to provide secure and independent funds for the organisation. While we lost a federal government grant that environment groups have been receiving since 1973, we have invested in new fundraising programs that will stand the organisation in good stead financially and enable us to make campaign decisions independently of the funding priorities of external bodies.

We are well aware that making the shift from being reliant on government funding to being independently funded has only been possible because of the incredible generosity and commitment of our supporters and donors. We thank you deeply.

Volunteers have injected enormous new capacity and energy into the organisation over the past couple of years. Working with deeply committed and supported volunteers to amplify our efforts is the future of this organisation and the environment movement. Again we would like to thank you deeply your efforts and thank you for your inspiration

Finally we would like to thank our Board (who are all also volunteers) and our fantastic staff, all of whom have contributed to our ongoing success as an organisation. Environment Victoria is extremely proud and grateful for the efforts of our dedicated, talented and courageous team. Your support fills us with optimism for the future and encourages us to continue working hard to safeguard and secure our environment.



Mark Wakeham
CEO

Amanda Nuttall
President



OUR ACTIVITIES THIS YEAR

Our achievements at a glance

- ★ Delaying a new allocation of coal and the development of a coal export industry for Victoria
- ★ Supporting 800 committed volunteers campaigning to Reclaim Victoria's Environment and 4 new local groups of volunteer activists across Melbourne's suburbs
- ★ Recruiting 19,600 new Environment Victoria supporters to strengthen our power base
- ★ Securing an inquiry into the Hazelwood mine fire and ensuring that there was scrutiny of whether the mine was properly regulated, managed and rehabilitated
- ★ Maintaining pressure on state and federal governments to ensure that they didn't bail out the Energy Brix coal-fired power station in the Latrobe Valley. This power station has now closed - Victoria's first coal-fired power station to close in decades.
- ★ Released cutting edge research with The Future Economy Group showing the economic benefits of restoring Victoria's environment.
- ★ Ensuring the state government delivered on their commitment to a water plan for Melbourne that uses stormwater and recycled water instead of desalination plants and dams
- ★ Developing an online atlas 'Lifeblood' which explores the health of every river system in Victoria and the policy actions that are needed to restore our rivers to health
- ★ Achieving extra government support for farmers who wish to protect riverbanks by fencing off riparian areas
- ★ Helping organise a climate rally attended by 30,000 Victorians following the 2013 federal election
- ★ Assisting almost 1500 Victorian new parents to save on energy use in their homes through our Future Powered Families program
- ★ Running four successful energy and sustainability programs with participants from low income and non-English speaking backgrounds

Find more information on these and other achievements in the following pages.



image: Our Hazelwood mine fire inquiry legal team.

1 A SAFE CLIMATE

We advocate for, and help pioneer, the shift to zero emissions energy and an energy efficient economy.

In years to come, we might look back on 2013-14 as the year that marked the beginning of the end for the polluting coal industry in Victoria, with the Hazelwood mine fire marking a low-point for the industry. Our plans to clean up our energy supply are ambitious and bold because the scale of the problem we are facing is immense. And our successes show that through people power we can achieve real change.



image: The Hazelwood Mine Fire. PHOTO: CFA COMMUNITIES & COMMUNICATION

No new coal

Our campaign to stop a new allocation of brown coal in Gippsland – the first step towards a major new brown coal export industry for Victoria – successfully delayed the state government's dangerous plans.

By exposing the government and coal industry's plans, working with local communities and building political pressure we made it impossible for the state government to proceed with a coal allocation in this term of government.

We released the report Victoria's Coal Wannabees, outlining the poor financial status of coal companies vying for millions in state grants.

We also secured the cancellation of HRL's \$50 million grant for a new coal-fired power station. This was the final nail in the coffin for the HRL project.

Despite these successes, in early 2014 the state and federal governments awarded three companies \$75 million in grants to develop new coal projects. We will continue to watch these projects closely and ensure they never get off the ground.

Hazelwood mine fire response

For 45 days in early 2014, the town of Morwell was shrouded in toxic coal ash from the fire in the nearby Hazelwood coal mine. The health impact on the community was unprecedented and the fire revealed to all the real cost of coal.

Following pressure from Environment Victoria and others, the government announced a judicial inquiry into the disaster. Our submission to the inquiry made national headlines by demonstrating the failure of the government regulator to enforce any kind of appropriate fire prevention measures on the mine operator.

We participated in the Inquiry with a team of barristers, briefed by our lawyers at Environmental Justice Australia. Our cross-examination of both Government and mine representatives yielded important information on the inadequacy of mine regulation and the need for accelerated mine rehabilitation.

With the over-supply of electricity in the grid, the phase out of a big polluting

power station like Hazelwood is now a question of 'when' not 'if'. We'll be continuing to work with local communities towards this outcome.

Paid to Pollute

Fossil fuel subsidies are one of the biggest barriers to fighting climate change. So we're leading a sustained national campaign to end fossil fuel subsidies in Australia.

Research by Environment Victoria, with Market Forces, uncovered the full extent of fossil fuel subsidies in the federal budget, coming in at over \$10 billion each year. In the context of the Abbott Government's "budget emergency", our work helped build popular support for cuts to these subsidies.

We'll build on this important work in the lead-up to the 2014-15 federal budget.

Victoria: a renewable energy leader?

We've worked hard to ensure that Victorians know about the attacks on clean energy by the current state government.

We published a report summarising 25 attacks on clean energy by the state governments that received national media coverage.

We ran newspaper and billboard advertising campaigns highlighting the lost jobs and investment resulting from Victoria's anti-wind farm laws and the enormous public support for renewable energy.

We've secured a policy commitment from the Victorian ALP that they will overturn anti-wind farm legislation if they are elected to office and develop a renewable energy jobs and investment plan to restore Victoria's status as a leader in renewable energy.

Building our Community Organising Capacity:

From February 2014 our Community Organiser Jane Stabb and Safe Climate Campaign Manager Nicholas Aberle participated in the six month-long Community Organising Fellowship, run by the Change Agency. Over 22 days of training with campaigners and organisers from across the country, they worked on developing all the skills needed to build a successful people power movement. Our campaigns are already reaping the rewards of this investment, most visibly reflected in the scale of the 2014 state election campaign.



2 HEALTHY ECOSYSTEMS

We advocate for the restoration of our rivers and wetlands and the protection of Victoria's biodiversity.

This year we achieved a long held ambition to create a community atlas of Victoria's rivers to inform and inspire. We started a campaign to reduce the damaging impact of livestock on our precious river banks and streams, and we continue our work to ensure the Murray-Darling Basin Plan delivers its promised benefits.

Save the Murray

The historic Murray-Darling Basin Plan, which was adopted in late 2012, is intended to restore the mighty Murray to health. We are working to ensure the Plan lives up to expectations and the promised water is delivered in full.

There remain significant differences between states and the federal government on how much water is needed to make the river healthy and how that water should be recovered.

Environment Victoria is one of the leading players nationally closely tracking implementation of the plan and ensuring the federal government makes good on its commitment to deliver the Plan 'on time and in full' in 2019. We are also working hard to ensure that the Victorian government contributes positively to saving the mighty Murray.

Our Rivers, Our Lifeblood

Our Rivers, Our Lifeblood is an innovative web-based atlas of Victoria's rivers providing an easily accessible and concise summary of the state of all Victorian rivers and their conservation priorities. It's the first time that this information is accessible in one place.

With the help of a dedicated band of volunteers, we marshalled a huge amount of data, maps, stories and photographs to create the web atlas, which was launched by marathon swimmer Tammy van Wisse at the Sustainable Living Festival in February.

The atlas has featured in media stories and is being used by people across the state. It has helped us identify and focus on the most important statewide issues for rivers.

'Cut the Crap'

The damage caused by livestock accessing river banks and polluting freshwater ecosystems has been repeatedly identified as the number one manageable impact on river health. The 'Cut the Crap' campaign aims to move the stock out of rivers and off river banks.

We are working with Landcare groups and others to highlight the great benefits of fencing off river banks and restoring natural vegetation.

We've exposed the government's failure to spend a levy collected for river restoration on its proper purpose.

Now in the lead-up to the state election we're working to secure more money for fencing off river banks and a commitment to transition the public land on river banks from grazing to conservation.



image: 'Cows in inappropriate places' action

image: Restored
vegetation at King
Parrot Creek



3 ONE PLANET LIVING

We advocate for a society and economy that lives within the means of the one planet that we share. We support the transition to a clean economy and smart forms of consumption that reduce our ecological footprint and secure our future wellbeing.

Our programs help communities understand their environmental impacts and reduce their water and energy use, waste and greenhouse emissions. We've maintained our focus on helping communities that are most vulnerable to rising water and energy costs or who are marginalised for one reason or another.

One Million Homes Alliance

Environment Victoria is leading an alliance of groups to ensure that the next state government delivers a plan to upgrade Victoria's homes for water and energy efficiency and prioritises the retrofitting of low-income homes.

The One Million Homes Alliance is committed to increasing the energy efficiency of Victorian homes to an average 5-star standard. The current average for homes built before 2005 is just 1.9 stars.

We commissioned research demonstrating the financial savings to government from retrofitting low income homes. We worked with media to highlight the benefits of energy efficiency. We gave politicians tours of homes that have been retrofitted to see first-hand energy saving technologies. We highlighted the failure of the current state government to deliver on their election promises on energy efficiency; and we delivered a strong campaign to save the Victorian Energy Efficiency Target (VEET), resulting in promise from the Victorian ALP & Greens to save the VEET.

The Future Economy Group

This year Environment Victoria launched a groundbreaking collaboration with eight leading businesses and business groups to highlight the links between the health of our economy and environment.

The Future Economy Group sponsored world-first research to quantify the impact on our economy of continuing to exploit our natural environment and vice versa.

The research, undertaken by the nous group, found that Victoria could create an extra 200,000 jobs and \$36 billion in gross state product by adopting a model of economic development that restores our natural capital. Conversely if we continue to damage our natural environment it will have dire impacts on the economy.

A new business agenda advocated by the Group supports the transformation of our economy to reduce carbon pollution and waste; restore natural assets such as land, water and forests; secure the state's economic strength and return value to Victorians.

The research was launched in June at a business breakfast MC'ed by former Liberal party leader John Hewson. We briefed both major political parties on the research and will continue to work together to influence the policy agenda of the next Victorian government.

In a year in which the election will be fought on the issues of jobs and the economy, it was extremely powerful to have leading businesses fronting the case for better environmental protection.

image: The Future Economy Plan outlined 6 powerful ideas



One Planet Carlton

Environment Victoria is leading a multi-agency project working to engage the entire suburb of Carlton on sustainability.

One Planet Carlton aims to engage with Carlton residents, organisations and businesses to create a sustainable suburb. Using Bioregional's 10 principles of One Planet Living as a starting point, we recruited thirty people from diverse communities and backgrounds and trained them in environmental leadership. They then developed and delivered a diverse range of projects including the establishment of a community garden and developing a coffee grounds collection and composting scheme with businesses on Lygon St. A further action plan was also developed to enable the community to continue their work after the project's completion.

One Planet Carlton also worked with public housing tenants through a side-project: 'Waste Not Say A Lot', to tackle the community-identified issue of rubbish on the estate.

Home Planet

Home Planet partners with AMES to work with newly arrived migrant and refugee youth across Melbourne.

In 2013-14 the program empowered over 80 Melburnians in the eastern and western suburbs to make their lives more environmentally friendly and engage others on sustainability. Participants ran multicultural environment expos, tree planting days, sustainable cooking projects, and re-purposed old products to new.

Each semester featured a three day camp in the bush -this was the first time some participants had ever been to the Australian countryside or seen the ocean.

North Melbourne Recycle Now

Most public housing estates across Victoria don't have recycling services. But, with our help, several local councils are now working with the Department of Human Services to trial various recycling methods.

The City of Melbourne commissioned Environment Victoria to provide our expertise in community engagement. We recruited and trained 16 local residents as Recycle Champions who engaged 290 households in North Melbourne housing

estate to increase recycling rates in public housing.

These residents helped to fill over 24 240 litre bins with recyclable material per week, thus diverting that waste from landfill.

Future powered families

2013 saw the commencement of our major project helping low-income families to save energy. Future Powered Families is a \$1.8 million project funded through the federal government's Low Income Energy Efficiency Program.

New parents either take part in energy saving workshops, or are recruited and trained to be energy assessors. Workshops are delivered to new parents groups, playgroups, English language classes and people receiving financial counselling.

Assessors deliver home energy assessments to the homes of their friends and families. In 2013-14 we engaged with 550 people through workshops, trained 96 assessors, and delivered 650 assessments.

So far, Future Powered families has worked across 16 municipalities and developed over 20 partnerships, and by its completion in 2016, the program aims to work with 5000 new parents.

4 RECLAIM VICTORIA'S ENVIRONMENT

In 2011, after witnessing the then Baillieu Government's series of attacks on the environment, we launched the Reclaim Victoria's Environment campaign to get our environment back on the political agenda of all major parties in the lead-up to the 2014 state election.

This people-powered campaign is at the heart of our community organising strategy which focuses our investment in deep campaigning in areas considered most important by politicians.

2013-14 was a big year for Reclaiming Victoria's Environment, with thousands of Victorians raising their voices to safeguard our environment and hundreds taking the campaign to the streets.

This year our organising work is using the power of face-to-face conversations to inform, inspire and mobilise. We have built a network of engaged, skilled and connected volunteers who get out there and talk to their neighbours and their friends about the environment issues that matter to them. We know that a face to face conversation with a local volunteer is incredibly persuasive, and we have been training and supporting our volunteer teams to hold hundreds of community contact events where they have these effective and persuasive conversations.

We have worked to increase Environment Victoria's supporter base, with extra effort in the places that are critical to the outcome of every state and federal election. In 2013-14 we increased our supporter base by 19,600 supporters.

Environment Victoria staff and volunteers met with a total of 34 state MPs as part of a 'lobbying blitz' in mid-2013.

We've developed a comprehensive policy agenda for the 2014 state election. In May we opened the Frankston Enviro-Hub, a shopfront campaign hub where we are having thousands of conversations about the importance of good environment policy at the state election.

Engaging new people in our campaign

Through our organising program, more than 800 people have volunteered to participate in our campaign. They come to events, and take actions like petitioning, street stalls, making phone calls and connecting with their local MPs on environment issues. We have more than 350 volunteers in our local campaign areas who are deeply engaged and are the backbone of our community work. They are organised into local groups that meet regularly to knock on doors, make phone calls, and get out on the streets talking to community members about the environment. We've been training and developing leaders in these local groups. Over the past 12 months, we have trained over 200 people in strategic campaign skills, including effective communication, persuasive conversations and team building and facilitation.

Raising the profile of the environment and building the buzz

In order to raise the profile of the environment as an election issue, we have been running a visible, vocal and local campaign. Our volunteer teams run regular street stalls and community events, and we get out on the streets in our blue t-shirts every week and weekend. To maximise our political impact, we are distributing our election materials in prominent places that are visible to both communities and to local candidates and sitting MPs. We have billboards on heavy commuter routes and at train stations, we have had paid advertisements in state and local newspapers, and we have attracted local and state-wide newspaper coverage of our community campaign. Hundreds of volunteers and supporters are displaying yard signs and posters with our campaign message to 'Vote for our Environment' in their front yards and in local cafes and community centres.

In addition to this, we are connecting our community work with local sitting MPs and candidates in our target areas. Our volunteers regularly engage with the MPs and candidates, through personal meetings, attending local events and through social media. Local candidates have even been turning up at our events unannounced!

Community Contact

Our volunteers have been asking people in our target communities to pledge to vote to protect their environment. So far, our volunteers have knocked on thousands of doors, and had thousands of persuasive, face to face conversations with people in their communities leading to hundreds of pledges to 'Vote for our environment'.

We'll keep communicating with these people right up to and beyond the election, arming them with the information they need to make informed choices about which parties will protect the environment if elected. We'll also be letting all political parties know how many local, undecided voters have pledged to use their vote for our environment.

None of the 'Reclaim Victoria's environment' campaign work would have been possible without the support of our donors, particularly those who pledged support over three years for this campaign. We thank you deeply for your support.



image: Estelle Landy standing in front of Hazelwood Power Station, outside Morwell for our *Not a Greenie But...* video

image: Our advertising campaign highlighting attacks on renewable energy ran on billboards and in newspapers across the state, including *The Age*.

image: Environment Victoria volunteers on a door knocking day.



OUR CHALLENGES

It's been another tough year for our environment. While the attacks have slowed at the state level, we are now also seeing federal government action to wind back environmental protection. In this challenging environment we are changing the way that we work to ensure that we can continue to effect change and increase our influence.

Influencing differently

For many years the environment movement has relied on good policy ideas and rational argument to try and influence decision-makers. In the current political climate decisions are not being based on the merits of an argument, but on power and ideology. We recognised this some years ago and while we'll continue to ensure that we develop robust and intellectually sound policy we are under no illusions that this will be enough. That's why we are innovating and developing new ways of creating lasting change.

Central to this strategy is our community organising strategy which aims to build our supporter base and our influence in the places that matter most politically - we call this our 'Reclaim Victoria's Environment' Campaign (page 14). We're also developing partnerships with 'unusual suspects' to create lasting change, for instance our work this year with the Future Economy Group (page 12).

Reducing our ecological footprint

Victoria's ecological footprint is three times bigger than the world average, largely due to our highly polluting energy supply, the way we produce and consume the food we eat and the goods and services we buy. As part of our One Planet Living campaign, we've commissioned research to explore how Victoria's ecological footprint can be reduced by 25 percent by 2020 and the essential actions to achieve this. These actions will form part of a new campaign we'll be running in 2014-15 to help Victorians consume smarter and within the resources of the one planet we share.

Continuing to secure our finances

We've seen an incredible surge of support from our wonderful community of donors since the state government defunded us in 2011. We've maintained our income level but now receive 74 per cent from individuals, trusts and foundations (see page 23). This means that not only are we able to keep delivering on the most important environmental issues, but we do so from a position of increased financial independence. An incredibly generous group of donors has supported our 'Reclaim Victoria's Environment' campaign over the past three years enabling our investment in community organising.

In 2013-14 we began a significant investment in a face-to-face regular giving program. While these programs have a substantial upfront cost they will greatly increase the proportion of income we receive from regular giving in future years, which enables us to better plan and budget for our activities.

OUR GOVERNANCE

Environment Victoria Incorporated (referred to in this document as Environment Victoria) is a not-for-profit incorporated association under the Associations Incorporation Act 1981 (Victoria) operating in Victoria, Australia. The principal activities of Environment Victoria are to safeguard Victoria's environment through advocacy and education. As at June 30, 2014 we had 62,600 supporters, 4,277 donors and individual members and 55 group members.

The organisation is governed by a Board of Directors in line with the requirements of Environment Victoria's Rules of Incorporated Association. Directors are appointed by Environment Victoria members at the annual general meeting, and are members themselves. Directors serve for a minimum two year term and do not receive remuneration for their role but may receive out-of-pocket expenses.

Directors govern the organisation and retain ultimate authority over its management and delegate the day-to-day management to the Chief Executive Officer. The CEO's responsibilities are guided by an Annual plan, performance criteria and monitoring adopted by the Board. The Board conducts an annual performance review of the CEO.

Environment Victoria maintains a public fund, the Environment Victoria Trust (the 'Trust') which is a tax-deductible gift recipient registered by the Australian Taxation Office and subject to the regulatory oversight of the Commonwealth Register of Environmental Organisations and the Australian National Charities and Not-for-profits Commission. The Trust is managed by Trustees appointed by the Board of Directors. The Trustees manage the Trust in accordance with the Trust Deed which requires that all donations received are used to support Environment Victoria's activities. As part of their responsibilities, the Trustees administer the Green Future Fund (page 24).

Role of the Board

The Board's primary role is the good governance of Environment Victoria, including the development and monitoring of long-term directions and goals and the strategies and policies needed to achieve these goals. The Board also appoints and manages the CEO and ensures that the organisation complies with its contractual, statutory and legal obligations; remains financially viable and proactively manages risks. The Board regularly engages with employees via strategy planning sessions, sub-committees, events and meetings. The Board also invites senior staff to regularly present key information to the Board and the Directors are always available to provide support and advice or receive feedback.

To meet our governance requirements, board membership is diverse and includes key competencies such as environmental policy and strategy, finance, legal, fundraising, strategy, audit, risk, communications and engagement. The Board regularly reviews the skills necessary to carry out its activities and undertakes a formal appraisal of its performance annually.

The Board operates sub-committees to investigate various issues and make recommendations to the Board. The Board currently operates four sub-committees, with membership consisting primarily of Directors with support from co-opted experts. The Board does not abrogate its responsibilities to sub-committee members.

Finance, Audit and Risk Committee

This committee assists the Board to fulfill its responsibilities for the financial reporting process, the system of internal controls, the audit process, the organisation's processes for monitoring compliance with laws and regulations and codes of conduct and the organisation's processes for recognising, identifying and dealing with risks.

Fundraising and Marketing Committee

This committee provides advice to the Board on strategies to enhance the reputation and capacity of Environment Victoria, and contributes to its long-term financial strength through leading the development of an effective revenue-raising strategy.

Governance Committee

This committee provides support to the Board with regard to processes, policies, systems and frameworks that help maximise the efficiency, effectiveness and quality of Environment Victoria and the Board.

Remuneration and Performance Committee

This committee leads the oversight, management and performance of the CEO.

DIRECTORS' REPORT

OUR DIRECTORS



Amanda Nuttall



Robyn Murphy



Emma Humann



Alice Skipper



Simone Zmood



Dieter Schadt



Kate Colvin



Carl Young



Joan Staples

Amanda Nuttall | President, Chair of the Remuneration and Performance Committee and Governance Committee member

Amanda works as a sustainability advisor specialising in environmental and climate change management and sustainability strategy, reporting and assurance. She holds a Master of Environment, Graduate Certificate in Development Studies and a Bachelor of Business. Amanda joined the Board in September 2008.

Joan Staples | Vice President and Chair of the Governance Committee

Joan is an academic whose publications focus on the democratic role of non-government organisations, their relationship with government, and what constitutes effective public advocacy for social change. Her academic work is informed by her career in policy and advocacy across a range of NGO sectors – environment, indigenous affairs, international development, consumers, and social services. Joan joined the Board in October 2012.

Emma Humann | Secretary, Fundraising and Marketing Committee member and Governance Committee member

Emma brings experience in stakeholder engagement and communications to the Environment Victoria Board. She has worked in the corporate, government and not for profit sectors and holds a Bachelor of Arts with Political Science and Environmental Studies majors. Emma joined the board in October 2013.

Robyn Murphy | Chair of the Finance, Audit and Risk Committee and Trustee

Robyn has a background in business and financial analysis, planning and reporting, strategy development and the valuation of intangible assets based upon economic worth. She has prior experience in corporate advisory, influencing government policy, operations general management and not-for-profit governance. Robyn joined the Board in September 2010.

Carl Young | Chair of the Fundraising and Marketing Committee

Carl is a professional fundraiser with more than 15 years experience at some of Australia's leading charities, including World Vision and

The Heart Foundation. Specialist areas include Bequests, Direct Marketing and Major Gifts. Carl holds a degree in Business and Finance and is currently the Fundraising Director at the Peter MacCallum Cancer Foundation. Carl joined the Board in October 2012.

Simone Zmood | Chair of the Trust and Finance, Audit and Risk Committee member

Simone has two decades of management consulting experience providing high-level strategic advice to multinationals, ASX200 companies, government-owned corporations, start-ups and not-for-profits across a range of areas encompassing strategy development, market positioning, business planning, operational improvement, portfolio analysis and performance management. Simone joined the Board in September 2010.

Alice Skipper | Finance, Audit and Risk Committee member and Trustee

Alice is an environmental lawyer and has held various legal roles in private practice and the not-for-profit sector including the Australian Conservation Foundation and the Environment Defenders Office. She is currently the Environment and Sustainability Manager at a national contracting services business and specialises in environmental assessment and risk management. Alice joined the Board in October 2013.

Dieter Schadt | Governance Committee member

Dieter has held a range of senior positions in telecommunications and consulting, and has a broad professional background working with research, engineering, finance and economics. He holds a PhD in Physics, a Diplom Ingenieur in Electrical Engineering, a Grad Dip in International Business, a Grad Dip in Quality Management, and is a Graduate of the AICD. Dieter joined the Board in September 2011.

Kate Colvin | Fundraising and Marketing Committee member

Kate has over 15 years experience in senior positions in policy, advocacy and communications in the environment, overseas development and social services sectors. She holds a degree in economics. Kate joined the Board in October 2013.

MEETING ATTENDANCE

The Board must meet at least four times a year but typically meets each month except December. Directors commit to a minimum of twelve hours a month including Board and committee meetings and an annual strategic planning process.

Meetings attended	Board	Finance, Audit & Risk Committee	Fundraising & Marketing Committee	Governance Committee	Remuneration & Performance Committee	Trust
Amanda Nuttall	13/13			4/4		
Hugh Wareham	8/12				1/1	5/6
Simone Zmood	10/13	4/5				6/6
Robyn Murphy	12/13	5/5			1/1	4/4
Dieter Schadt	12/13			4/4		
Joan Staples	11/13		2/2	3/3		
Carl Young	12/13		4/4			
Elizabeth McKinnon	4/4			1/1	1/1	1/1
Sue Noy	3/4		4/4			
Alison Rowe	2/4					
Alice Skipper	8/9	2/2				4/4
Emma Humann	9/9		2/2	2/3		
Kate Colvin	9/9		2/2			
David Osborn*						2/2
Rob Brown*						1/2
Sue Norman*						2/2
Peter Carey#		4/5				
Ernestine Razario#		4/5				
Isobel Michael+			4/4			

* Trustee of the Environment Victoria Trust

co-opted expert to the Finance, Audit and Risk Committee

+ co-opted expert to the Fundraising and Marketing Committee

^co-opted expert to the Governance Committee



ADHERENCE TO REGULATIONS

Environment Victoria's activities are subject to a number of regulations under Commonwealth and state law. These regulations include those associated with the proper governance of the organisation's management, finances, fundraising and safety. We have met these regulations throughout the year.

Signed on behalf of the Board of Directors:

A handwritten signature in black ink, appearing to read 'A Nuttall', written in a cursive style.

Amanda Nuttall
President

OUR FINANCIAL PERFORMANCE

In 2013-14 we took another important step towards Environment Victoria's financial security and independence. We have been working hard over recent years to greatly reduce our reliance on government grants. This has become even more important as we have lost significant state and federal grants.

We have greatly increased our supporter and donor base, run strong and effective campaigns, and invested in fundraising. However the critical factor has been the way our supporters have rallied behind us. With their incredible support, we've replaced the lost government funding and greatly increased our financial independence.



We'd like to thank our wonderful donors for their support over the past year. It is their generosity and dedication that has ensured our organisation continues our effective work to safeguard our environment.



ENVIRONMENT VICTORIA

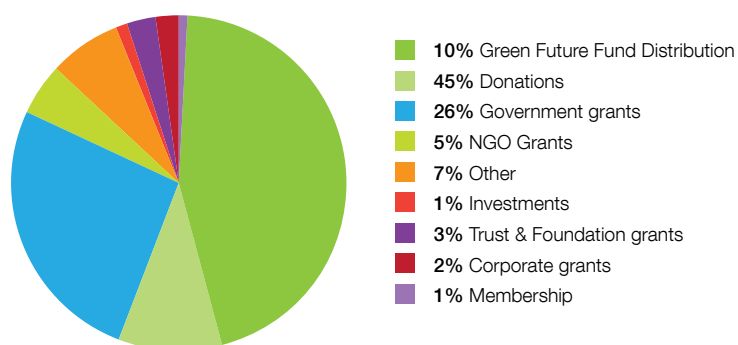
Environment Victoria's total income and expenses for the year were each \$2.4 million. The final balance was a small surplus of \$4,076.

Fundraising income grew by 24 percent in 2013-14, with over \$1 million received in donations. This growth helps Environment Victoria to secure independent funds for our critically important campaigns.

\$1.6 million of our income was spent on our environment campaigning and programs, \$0.4 million was invested in raising funds and \$0.3 million spent on essential administration and organisational leadership. According to the Good Giving Guide, our expenditure on fundraising and administration is low compared to most other environment organisations, allowing us to spend our income on achieving environmental outcomes.

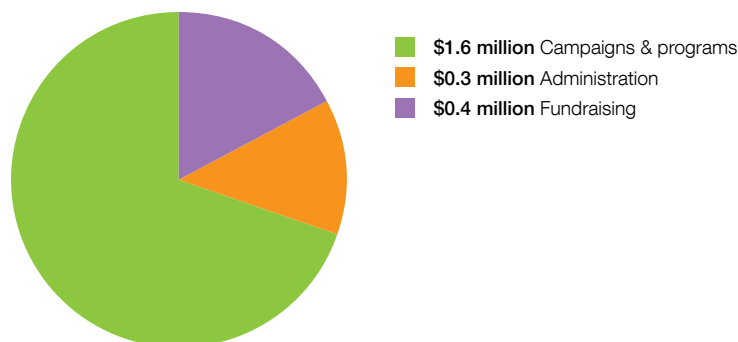
Total income

\$2,377,739



Total expenditure

\$2,373,663



ENVIRONMENT VICTORIA TRUST

Donations to the Trust combined with the annual distribution from the Green Future Fund (see page 24), resulted in a total of \$1.45 million being transferred to Environment Victoria in 2013-14 to support our critical activities.

The Trust has equity of \$2.27 million, largely comprising of donations made to the Green Future Fund which, with associated income, will be paid to Environment Victoria to support campaign activities in future years. The equity in the Trust and the Green Future Fund in any specific year is a function of a number of factors including increases or decreases in the market value of investments, investment income, donations to the Green Future Fund and the annual distribution from the fund to Environment Victoria. In 2013-14 equity was higher than in 2012-13, due largely to the good performance of the Green Future Fund investments.

THE GREEN FUTURE FUND

Our environmental challenges won't be solved overnight, so we need to make sure we're here for many years to come. That's exactly what the Green Future Fund does. It provides a long-term investment plan to safeguard Victoria's environment by accepting donations and bequests today and investing them for the future.

Donations to the Green Future Fund are ethically invested and used over 20 years to generate reliable income for Environment Victoria to create a greener future and secure our financial independence. An annual distribution is made to Environment Victoria each year.

Our original goal for the Green Future Fund was to raise \$6.5 million by 2015, generating approximately \$0.5 million annually for our activities. In 2013-14 we have prioritised investment in a face-to-face regular giving program over immediate growth of the Green Future Fund. Once the face-to-face program is established we will increase our efforts to achieve our Green Future Fund targets.

Since its launch in 2010, the Green Future Fund has received \$2.1 million in donations and 20 people have pledged bequests to the Fund in their wills. \$0.73 million has been distributed to support Environment Victoria activities.



In 2013-14, significant gifts were provided to the fund by Mr Malcolm Shore and a bequest from the family of Eric Bottomley. Environment Victoria would like to thank Mr Shore for his third generous gift to the fund and pay tribute to Eric Bottomley for a lifetime's work for the environment.

We were also made aware of four new pledged bequests in 2013-14.

An annual distribution of \$229,733 was distributed to Environment Victoria in 2013-14 from the fund and at June 30, the fund's equity was \$2.2 million.

The Green Future Fund is managed by the Trustees of the Environment Victoria Trust and invested with two fiduciary investment managers, ANZ Trustees and Equity Trustees. The donations are invested to support cash distribution to Environment Victoria over a twenty year period. Trustees monitor the performance of investment managers using appropriate benchmarks and were satisfied with their performance in 2013-14.

The Trustees and investment managers operate under an ethical investment overlay which excludes investments in fossil fuel companies for example, and Trustees monitor ongoing compliance with that ethical overlay.

OUR FINANCIAL FUTURE

In 2009 we started a five-year transition towards financial independence. Our aim was to achieve at least 75 percent of our funding from non-government sources. This was a fairly ambitious goal considering we started with 25 percent of our funds being from independent sources and 75 percent from governments.

In 2013-14 only 26 percent of our funding came from governments. This funding was provided by the federal government to deliver sustainable living and community education programs. \$1.8 million or 74 percent came from independent sources.

As a result of our forward-thinking fundraising strategy and thanks to the amazing generosity of our donors we have largely achieved our goal and our financial independence.

Environment Victoria now has \$0.6 million in members' reserves and \$2.2 million in the Green Future Fund.

2014-15 will be another year of consolidating our independent funding base. Our main focus to boost independent funds will be to rapidly build the number of people who donate to Environment Victoria each month via an automated giving process called regular giving. We'll also continue to rapidly build our supporter base to grow our pool of donors.

With the unwavering support of our donors, we are confident we will secure our financial future.



image: Forest regrowth after fire

The following is a summary of the financial statements for Environment Victoria and the Environment Victoria Trust. The full financial statements are available on Environment Victoria's website.

Environment Victoria Inc.

Reg No. A0023095M

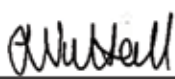
Statement by Members of the Board

The Board has determined that Environment Victoria Inc. is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial statements as set out on page 2 to 10:

1. Presents a true and fair view of the financial position of Environment Victoria Inc as at the 30 June 2014 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe Environment Victoria Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed on and behalf of the Board by:



Amanda Nutall
President



Robyn Murphy
Chair, Finance, Audit and Risk Committee

Dated at Melbourne this 6th day of October 2014.

Environment Victoria Inc.
Reg No. A9023098M

Statement of Profit or Loss
For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Revenue - Other	2	2,300,739	1,870,209
Revenue - GVESH0	8	77,000	77,000
		<u>2,377,739</u>	<u>1,947,209</u>
Expenditure			
Salaries and wages		1,271,730	1,163,661
Occupancy and Office		224,329	213,782
Events and Travel		91,310	74,823
Research and Consultancies		466,714	200,174
Communications and Marketing		161,351	122,028
Phone, IT, Equipment		54,284	55,510
Finance, Accounting and Legal		36,374	34,545
Other Expenses		67,571	82,834
		<u>2,373,663</u>	<u>1,947,357</u>
Income tax expense	1(f)	-	-
Profit / (loss) after income tax		<u>4,076</u>	<u>(148)</u>
Retained profits at the beginning of the financial year		<u>599,813</u>	<u>599,961</u>
Retained profits at the end of the financial year		<u>603,889</u>	<u>599,813</u>

The accompanying notes form part of these financial statements.

Environment Victoria Inc.

Reg No. A0023095M

Assets and Liabilities Statement

30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	648,764	440,708
Short-term deposits		407,330	369,141
Deposits	5	23,687	22,687
Trade receivables	5	25,564	214,970
Sundry receivables	5	23,989	19,053
Prepayments		10,374	9,215
TOTAL CURRENT ASSETS		1,139,708	1,075,774
NON-CURRENT ASSETS			
Plant and equipment	6	9,540	15,836
Investments	7	-	119,311
TOTAL NON-CURRENT ASSETS		9,540	135,147
TOTAL ASSETS		1,149,248	1,210,921
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		66,157	75,874
Accrued annual leave	1e	74,015	96,548
Employee provisions	1e	103,683	133,329
Grants received in advance	1h	301,504	269,229
TOTAL CURRENT LIABILITIES		545,359	574,980
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		545,359	574,980
NET ASSETS		603,889	635,941
MEMBERS' FUNDS			
Investment revaluation reserve	7	-	36,128
Retained profits		603,889	599,813
TOTAL MEMBERS' EQUITY		603,889	635,941

Environment Victoria Inc.

Reg No. A0023095M

Statement of Changes in Equity
For the Year Ended 30 June 2014

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2012	599,961	15,669	615,630
Investment revaluation decrement	-	20,459	20,459
Profit for the year	(148)	-	(148)
Balance at 30 June 2013	599,813	36,128	635,941

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2013	599,813	36,128	635,941
Investment revaluation increment	-	(36,128)	(36,128)
Profit for the year	4,076	-	4,076
Balance at 30 June 2014	603,889	-	603,889

Environment Victoria Inc.

Reg No. A0023095M

Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,516,455	1,682,802
Payments to suppliers and employees		(2,427,278)	(1,903,727)
Interest received		21,736	31,978
Net cash provided by / (used in) operating activities	4	<u>110,913</u>	<u>(188,947)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from the disposal of investments		138,751	-
Proceeds from the disposal of fixed assets		300	-
Investment in term deposit		(38,189)	(15,009)
Purchase of plant and equipment		<u>(3,719)</u>	<u>(2,578)</u>
Net cash provided by / (used in) investing activities		<u>97,143</u>	<u>(17,587)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents held		208,056	(206,534)
Cash and cash equivalents at beginning of financial year		<u>440,708</u>	<u>647,242</u>
Cash and cash equivalents at end of financial year	3	<u>648,764</u>	<u>440,708</u>

The accompanying notes form part of these financial statements.



Hayes Knight Audit
chartered accountants · your partners in success

Hayes Knight Audit Pty Ltd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIRONMENT VICTORIA INC

We have audited the accompanying financial report, being a special purpose financial report, of Environment Victoria Inc (the association), which comprises the statement of assets and liabilities as at 30 June 2014, the statement of profit or loss, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the board.

Committee's Responsibility for the Financial Report

The board of Environment Victoria Inc is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Associated Offices : Adelaide | Auckland | Brisbane | Darwin | Melbourne | Perth | Sydney

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ENVIRONMENT VICTORIA INC (Continued)**

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Environment Victoria Inc as at 30 June 2014 and its financial performance for the period then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Reform Act 2012.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. This financial report has been prepared to assist Environment Victoria Inc to meet the requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Hayes Knight Audit

**Hayes Knight Audit Pty Ltd
Melbourne**

A. Wehrens

**Andrew Wehrens FCA
Director**

Dated this 8th day of October 2014

Environment Victoria Trust**Statement of Receipts and Payments
For the Year Ended 30 June 2014**

	2014	2013
	\$	\$
Receipts		
Donations	862,063	571,788
Green Future Fund donations	33,000	25,000
Green Future Fund Income	428,737	373,688
Interest received	414	208
Total receipts	1,324,214	970,683
Payments		
Fees	34,966	32,191
Green Future Fund Transfers to Environment Victoria – Capital	40,000	-
Green Future Fund Transfers to Environment Victoria - Regular	156,733	184,265
Consultancy	-	3,500
Donation Transfers to Environment Victoria	1,255,587	840,482
Total payments	1,487,286	1,060,438
Deficit in trust	(163,072)	(89,754)
Opening retained income	1,955,547	2,045,202
Closing retained income	1,792,475	1,955,547

Environment Victoria Trust

Statement of Financial Position

30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	6,807	64,071
Franking credits		17,630	32,538
Income accrual		19,406	22,318
Green Future Fund	3	2,229,717	2,097,060
TOTAL CURRENT ASSETS		2,273,560	2,215,987
NON-CURRENT ASSETS			
TOTAL ASSETS		2,273,560	2,215,987
LIABILITIES			
TOTAL LIABILITIES		-	-
NET ASSETS		2,273,560	2,215,987
EQUITY			
Settlement capital		100	100
Reserves		481,085	260,439
Retained Earnings		1,792,375	1,955,448
TOTAL EQUITY		2,273,560	2,215,987

Environment Victoria Trust

Trustees' Declaration

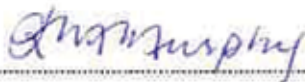
The Trustees declare that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1 to 3, present fairly the Trust's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the Trustees' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustees.

Trustee



Trustee



Dated

6 October 2014



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www.hayesknightsaudit.com.au

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ENVIRONMENT VICTORIA TRUST

We have audited the accompanying financial report, being a special purpose financial report, of the Environment Victoria Trust (the trust), which comprises the trustees' declaration, the statement of financial position as at 30 June 2014, the statement of receipts and payments for the year then ended, a summary of significant accounting policies and other explanatory notes.

Trustee's Responsibility for the Financial Report

The trustees of the trust are responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the trust deed. The trustees' responsibilities also includes such internal controls as the trustees determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit 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 procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the trust's preparation of the financial report that gives a true and fair view, 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 trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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5

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE
ENVIRONMENT VICTORIA TRUST (continued)**

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial statements presents fairly, in all material aspects, the financial position of the Environment Victoria Trust as at 30 June, 2014 and its financial performance and receipts and payments for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. This financial report has been prepared to assist the trustees of the Environment Victoria Trust to meet their requirements under the trust deed. As a result, the financial report may not be suitable for another purpose.

Hayes Knight Audit

**Hayes Knight Audit Pty Ltd
Melbourne**

A. Wehrens

**Andrew Wehrens FCA
Director**

Dated this 8th day of October 2014

WALKING THE TALK

We strive to meet the same environmental, ethical and labour standards that we demand of others.

ENVIRONMENTAL REPORT

Indicator	Consumption	Consumption	Consumption
	2011-12	2012-13	2013-14
Energy (see note 2)			
• Renewable	19,196 kw/h	16,836 kw/h	17,865 kw/h
• Coal-fired	0 kw/h	0 kw/h	0 kw/h
Water (see note 2)			
• Mains	56,774 litres	65,818 litres	62,394 litres
• Rainwater	36,838 litres	35,455 litres	32,558 litres
Transport (see note 5)			
• Flights	14,192 km	46,873 km	23,476 km
• Car	5,155 km	2,390 km	5,310 km
Materials and waste (see note 6)			
• Landfill	104 kg	156 kg	133 kg
• Co-mingled recycled	113 kg	94 kg	134 kg
• Composted	165 kg	182 kg	134 kg
• Paper recycled	451 kg	391 kg	420 kg

1. This report covers our operations at our leased office based in the 60L green building at Level 2, 60 Leicester Street, Carlton. This does not include Frankston Enviro-Hub, as it is a short term lease and there is no comparative data. We have no other office buildings and no car fleet.
2. Energy and Water usage was determined through the usage for the building at 60 Leicester Street Carlton Australia, and calculating Environment Victoria's share based on our occupancy space (m²).
3. We emit no greenhouse pollution from our energy use as it is generated at our premises through roof-top solar panels or purchased from 100 percent accredited renewable energy sources.
4. We limit the use of mains water by the capture, treatment and use of rainwater, which is of course climate dependent.
5. Transport impacts were measured by recording all flights and car hire kilometers throughout the year. Our car hire kilometres were higher this year due to some campaigns and projects taking place outside of Melbourne, including Frankston envirohub.
6. Waste was measured through a waste measurement audit over two, two week periods, extrapolated over the year. We compost our organic waste and separate and recycle waste materials, minimising waste to landfill. We use 100 percent post-consumer recycled paper for all our printing and we recycle paper and newspapers used on-site.

SUPPORTING OUR PEOPLE

As at June 30, 2014 we had 9 Board members, 20 permanent employees and 4 contract employees working in Melbourne and remotely. In total, we had 19.4 full-time equivalent staff.

All employees except the CEO are covered by a Certified Agreement that provides for competitive salaries and family-friendly work practices including flexible working hours, ability to work from home and generous carer's leave arrangements. The CEO is also covered by a performance-based, fixed-term contract.

Environment Victoria provides networking and learning opportunities for our staff to develop their knowledge, skills and capacity. In 2013-14 this included attendance at critical conferences and formal training in environmental education and mindfulness. Two of our campaigns staff participated in Australia's first 'community organising fellowship' - a year-long training program in community organising and campaigning. All staff members undergo annual planning and performance reviews.

We lost a number of long serving staff members this year who moved on to new opportunities, including Kelly O'Shanassy, Victoria McKenzie-McHarg, Ivan Kolker, Charlie Davie, Helen Vine and Nina Bailey and would like to thank them for their wonderful efforts over so many years.

The safety of our staff, volunteers and contractors is a high priority for the Board and during the year we experienced no safety incidents.

We were deeply saddened to hear the news that a recently departed staff member, Keran Fegan, passed away this year. We remember her as a positive and energetic presence and extend our deepest sympathies to her family.

We also want to pay respect to long-term Environment Victoria supporters and members and proud environmentalists Pam Miskin, Chris Mardon and Eric Bottomley who passed away this year and remember their leadership for the environment.

	Staff	Board
Number	24	9
FTE	19.4	-
Female	75%	78%
Male	25%	22%
Age		
18-30	21%	-
31-40	47%	-
41-50	16%	-
over 50	16%	
Covered by Certified Agreement	96%	
Turnover of permanent staff	25%	

ETHICAL INVESTMENT REPORT

Our Corporate Partnerships Policy requires us to screen potential corporate partners to assess if their activities and operations are compatible with our vision, values and goals. We do not accept funds from organisations that have a poor environmental, social or ethical record or whose operations impact negatively on our environment or community.

Our Investment Policy requires us to screen all potential organisations we may invest in. We've developed an ethical overlay for our investments that excludes organisations with a poor environmental record or whose operations impact negatively on our environment or community. The Environment Victoria Trustees review the Green Future Fund investments quarterly to ensure that they continue to meet our ethical overlay. In 2014 we strengthened our ethical overlay to ensure that we had no investments in businesses directly involved in fossil fuel extraction or combustion.

LISTENING TO AND INFORMING OUR STAKEHOLDERS

We make sure we uphold clear communications with our key stakeholders and are committed to maintaining an open and transparent relationship with them all. This helps us establish our strategies and priorities, and has also informed the content of this report.

The following table outlines the key stakeholder groups with whom we engage regularly and the issues that are important to them.

Stakeholder	Interests	Engagement methods
Members, donors & supporters	Environmental problems and solutions and our priorities, campaigns and programs. Our effectiveness, governance and financial performance.	Surveys, direct discussions, opportunities to input into our policy agenda, events, rallies, regular bulletins, our bi-annual newsletter, quarterly letters outlining environmental issues, briefings and meetings, public events and through our website and social media.
Our partners	Shared projects	Meetings, briefings, public forums and joint project planning delivery and evaluation
Government	Environmental problems and solutions.	Surveys, meetings and briefings
Business	Environmental problems and solutions	Surveys, meetings and briefings
Board	Effective and inspiring environmental campaigns and programs, governance and strategy, financial performance, supporting our staff and safety,	Board and Committee meetings, strategy planning days.
Employees	Effective and inspiring environmental campaigns and programs, financial performance, safe and enjoyable working environment	Staff and team meetings and strategy planning days.

OUR DONORS

We would like to thank the thousands of Victorians who donated to Environment Victoria in 2013-14 and helped safeguard Victoria's environment. Your gift helped to stop coal exports and new coal mines; to deliver wins for riverside protection and river health; to deliver our biggest ever election campaign, and to build our volunteer and supporter base significantly. Your generosity is incredible. Your commitment is inspiring. And the difference you are making will be felt by many.

OUR CORPORATE SUPPORTERS

Thank you to the sustainable businesses that invested in The Future Economy Group Project in 2013-14.



bankmecu is a customer owned bank offering banking products and services that support customers to achieve their financial goals while creating stronger communities and a healthier environment. bankmecu financially supported and is a member of The Future Economy Group.



Pacific Hydro is a global clean energy solutions provider. Operating for over 20 years, they develop, build and operate renewable energy projects and sell electricity and carbon abatement products to customers.



Australian Ethical is a financial services company with a difference. It offers high conviction ethical superannuation and managed investments to clients interested in making money and making the world a better place. Australian Ethical supported and is a member of The Future Economy Group.



VicSuper VicSuper is a \$13 billion strong not-for-profit superannuation fund with over 240,000 members and over 20,000 participating employers, and sustainability as its central operating principle.

OUR PHILANTHROPIC SUPPORTERS

Thank you to the trusts, foundations and organisations that financially supported our programs in 2012-13.



AMES is the largest provider of English language and Settlement services to refugees and newly arrived migrants in Victoria. AMES funded and is a key delivery partner for HomePlanet.



The Australian Communities Foundation offers individuals, families, groups, corporations and not-for-profit organisations an easy and satisfying way of giving something of real value back to the community that they care about by establishing philanthropic funds under Foundation. ACF sub-funds which supported our Reclaim Victoria's Environment campaign include the Hamer Family Fund; the Koshland Innovation Fund, the Green Cities Innovation Fund and the Johnstone Gumption Fund.



The Reichstein Foundation works for social justice and environmental sustainability by investing strategically in inspirational people, projects and organisations. It is a catalyst for more effective philanthropy in Australia. The Foundation supported The Future Economy Group.



The Lord Mayor's Charitable Foundation provides grants to eligible organisations for innovative programs that work to increase life opportunities, promote social inclusion and improve quality of life. The Lord Mayor's Charitable Foundation supported The Future Economy Group.



The Mullum Trust supports projects which have significant ongoing or catalytic environmental outcomes, with a focus on environment, animal welfare and wildlife and conservation and heritage. The Mullum Trust supported our Reclaim Victoria's Environment campaign.



The Helen Macpherson Smith Trust provides grants to benefit and improve the lives of the people of Victoria. The Trust supported the Our Rivers Our Lifeblood project.

OUR GOVERNMENT FINANCIAL SUPPORTERS

Thank you to the Australian Government which supports the Future Powered Families program through the Department of Industry. Our Multicultural Climate Action project was supported by the Department of Climate Change and Energy Efficiency, and our community education work through the Grants for Voluntary Environment, Heritage and Sustainability Organisations.

Thank you to the Victorian Government which supported the Carlton Eco Neighbourhood through the Department of Human Services.

We would like to thank the City of Melbourne for supporting Carlton Eco Neighbourhood and the North Melbourne Recycling Project.

OUR PARTNERS: THANK YOU TO OUR PROGRAM DELIVERY PARTNERS

- Alevi Community Council
- Alternative Technology Association
- AMES
- Arabic Welfare Inc
- AusCopy
- Australian Conservation Foundation
- Australian Ethical investment
- Australian Youth Climate Coalition
- bankmecu
- Bluefish
- Bob Burton
- BioRegional
- Brimbank City Council
- Brotherhood of St Laurence
- Carlton Housing Consortium
- Carlton Local Agencies Network
- Climate Action Network Australia
- City of Melbourne
- City of Yarra
- City West Water
- Climate Action Network Australia
- Climate Institute
- Collingwood Neighbourhood House
- Consumer Utilities Advocacy Centre
- Darebin City Council
- Department of Human Services
- Doctors for the Environment
- EcoMaster
- Energy for the People
- Environment Justice Australia
- Environmental Farmers Network
- Environmental Film Festival Melbourne
- Flemington Neighbourhood Renewal
- Friends of the Earth
- GetUp!
- Goulburn Valley Environment Group
- Greenpeace
- Hepburn Wind
- 350.org
- Hume City Council
- Independent Outdoor Media
- Inland Rivers network
- Intrepid Travel
- Islamic Council of Victoria
- Kildonan Uniting Care
- Kurnai College
- Latrobe City Council
- Latrobe Sustainability Group
- Lisa Nichols and Jennifer Trehwella (Barristers for Hazelwood mine fire inquiry)
- Maribyrnong City Council
- Meadow Heights Community Centre
- Migrant Information Centre
- Melbourne Transport Forum
- Mildura Rural City Council
- Moonee Valley City Council
- Moreland Energy Foundation
- New Hope Foundation
- North Melbourne Language and Learning Centre
- nous group
- Oxfam
- Pacific Hydro
- Probus Ladies
- Public Transport Users Assoc.
- Quang Minh Temple
- Quit Coal
- RMIT
- RAMP consulting
- Sikh Council of Australia
- Sikh Interfaith Council of Victoria
- Sustainable Living Foundation
- Sustainable Business Australia
- Sunraysia Mallee Ethnic Communities
- Swinburne University
- The Smith Family
- The Sunrise Project
- Third Ecology
- Uniting Church of Australia
- University of Melbourne
- VicSuper
- Victorian Arabic Social Services
- Victorian Climate Action Groups
- Victorian Council of Social Services
- Victorian Local Government Association
- Victorian National Parks Association
- Victorian Trades Hall Council
- Vietnamese Welfare Resource Centre
- Volunteering Western Victoria
- Voices of the Valley
- The Wilderness Society
- Westernport & Peninsula Protection Council
- Wimmera Mallee Sustainability Alliance
- Whole Kids
- Yarra Energy Foundation
- Yarra Valley Water

THANK YOU TO OUR REGULAR VOLUNTEERS

We estimate that our regular office volunteers provided around 2000 hours of invaluable service to Environment Victoria in 2013-14. We could not get by without them so we thank them from the bottom of our hearts. Our regular office volunteers team includes Lance Lessels, Les Smith, Ian Hazewinkle, Karly Roolker, Katie Lindsay-Smith, Hilary Ackroyd-Curtis, Ian Partridge, Sophie van Rooyen, Shannan Courtenay, Julian Phillippou and many more people.

In addition to our office volunteers, this year round 800 volunteers have given tens of thousands of hours to our 'Reclaim Victoria's Environment' Campaign, including many involved in our three local groups in the Southern, Eastern and Western suburbs; staffing our Frankston 'Enviro-Hub' and our regular phone banking team. Thank you so much for your energy and inspiration!

AND THANKS TO OUR STAFF

Lastly, we wouldn't have achieved anything for our environment without our dedicated staff. They work tirelessly for the environment and they never, ever give up, even when the going gets tough. We thank them for their incredible leadership and work.

Our Staff

Chief Executive Officer: Mark Wakeham

Campaigns & communications: Alex Merory, Alex White, Nicholas Aberle, Juliet Le Feuvre, Jane Stabb, Claire van Herpen and Tom Hartney

Sustainable Living: Michele Burton, Domenica Settle, Eva Gaita, Katerina Gaita, Jeremy Wiggins, Wendy Hopkins, Miranda Blok, Lara Fitzgerald-Beissbarth and Lakshmi Venugopal

Fundraising: Amber Sprunt and Lena Herrera Piekarski

Administration: Nadine Ponomarenko, Helen Vine, Tony Cox, Jing Lu and Cate Hoyle

Current at 1 September 2014

GRI G3 CONTENT INDEX

STANDARD DISCLOSURES PART I: Profile Disclosures

Report fully on the below selection of profile disclosures or provide a reason for omission

Profile Disclosure	Description	Reported	Cross-reference/Direct answer
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Fully	A message from our President and CEO, p.6
2. Organizational Profile			
2.1	Name of the organization.	Fully	About Us, p.5, Our Governance, p.17
2.2	Primary brands, products, and/or services.	Fully	About Us, p.5, Our Governance, p.17
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	Our Staff, p.43
2.4	Location of organization's headquarters.	Fully	Walking the Talk, p.38
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	Our Governance, p.17
2.6	Nature of ownership and legal form.	Fully	Our Governance, p.17
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	Our Governance, p.17
2.8	Scale of the reporting organization.	Fully	Our Governance, p.17
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	A message from our President and CEO, p.6
2.10	Awards received in the reporting period.	Fully	No awards to advise
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	About this Report, p.3
3.2	Date of most recent previous report (if any).	Fully	2012-13 Annual Report
3.3	Reporting cycle (annual, biennial, etc.)	Fully	About Us, p.5
3.4	Contact point for questions regarding the report or its contents.	Fully	About this Report, p.3
3.5	Process for defining report content.	Fully	About this Report, p.3
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	Our Governance, p.17, Walking the Talk, p.38
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	Walking the Talk, p.38
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	Ethical Investment Report, p.40
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	No re-statements to advise.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	No re-statements to advise.
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	G3 Content Index, p.3
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Fully	Our Governance, p.17 Directors' Report, p.18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Our Governance, p.17 Directors' Report, p.18
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	Our Directors, p.18
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	Our Directors, p.18 Directors' Report, p.18
4.14	List of stakeholder groups engaged by the organisation.	Fully	Listening and informing our stakeholders, p.40
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	Listening and informing our stakeholders, p.40

STANDARD DISCLOSURES PART III: Performance Indicators

Report fully on 10 core or additional performance indicators - at least 1 from each dimension(economic, environmental, social)

Indicator	Description	Reported	Cross-reference/Direct answer
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations & other community investments, retained earnings, and payments to capital providers and governments.	Fully	Our Financial Performance, p.22
EC4	Significant financial assistance received from government.	Fully	Our Financial Future, p.22
Environmental performance			
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	Walking the talk, p.38
EN5	Energy saved due to conservation and efficiency improvements.	Fully	Walking the talk, p.38
Water			
EN8	Total water withdrawal by source.	Fully	Walking the talk, p.38
EN10	Percentage and total volume of water recycled and reused.	Fully	Walking the talk, p.38
Emissions, effluents and waste			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	Walking the talk, p.38
Social: Labour Practices and Decent Work			
Employment			
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	Walking the talk, p.38
Labour/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	Walking the talk, p.38
Occupational health and safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	Supporting our People, p.39
Training and education			
LA12	Percentage of employees receiving regular performance and career development reviews.	Fully	Supporting our People, p.39