

Sustainability Fund Guidelines

2016



Foreword

The Andrews Government understands that the environment underpins the wellbeing and liveability of all Victorians. Every time we reduce, reuse or recycle we are using less resources, generating less waste, reducing greenhouse gases associated with production and from landfill, and lowering our environmental impact.

Victoria's landfill levies provide an important mechanism to reduce the amount of waste to landfill and to fund important initiatives to manage this waste more efficiently and reduce impacts on the environment. The revenue generated from these funds is then used to fund some of our important government environmental agencies before being transferred into the Sustainability Fund.

The Sustainability Fund is established to invest in initiatives that will support Victorian communities and businesses to address crucial environmental challenges in the legislated areas of sustainable resources use, waste management through innovation and stimulating viable industries, creating jobs for Victorians.

The Sustainability Fund is a key driver of action on Climate Change, one of the most pressing issues that we face. Through target programs funded out of the Sustainability Fund, the government can reduce our greenhouse gas emissions, while preparing our communities, businesses and industry for the changes in the climate that have already been locked in.

Funds from the Sustainability Fund must be allocated in accordance with the *Environment Protection Act 1970*, the Sustainability Fund Priority Statement and these Guidelines.

Changes to the *Environment Protection Act 1970* which came into effect from 1 July 2015 have improved the clarity and transparency of fund management, and in turn strengthened the effectiveness of the fund and accountability for its management.

These Guidelines ensure that Victorians are able to understand how monies are allocated from the Sustainability Fund.



The Hon DANIEL ANDREWS MP
Premier



The Hon LILY D'AMBROSIO MP
Minister for Energy Environment and
Climate Change

1. THE SUSTAINABILITY FUND

The Sustainability Fund (**Fund**) provides funding from Victorian landfill levies to programs and government initiatives which are required, under section 70F of the *Environment Protection Act 1970* (the **Act**), to foster:

- The environmentally sustainable use of our resources and best practices in waste management to advance the social and economic development of Victoria; or
- Community action or innovation in relation to the reduction of greenhouse gas substance emissions or adaptation or adjustment to climate change in Victoria.

Under the Act, the allocation of funds requires the joint consent of the Premier and the Minister for Environment, Climate Change and Water (the Minister).

The Act also sets out the Principles of Environment Protection, which guide the objectives of sustainable development and resource use efficiency for Victoria.

2. FUND GOVERNANCE AND PRIORITIES

To maximise the effectiveness of the Fund and ensure that a strategic approach is taken to the application of monies, the Act requires the publication of a Priority Statement and Guidelines.

Priority Statement

It is important that the Fund remains focused on key environmental priorities. The Priority Statement sets out how, in order of priority, the Minister and Premier intend to apply money from the Fund to meet the objectives specified in section 70F(3) of the Act. If the priorities of the Fund change, a new Priority Statement will be produced.

As required under section 70B of the Act:

- a draft Priority Statement will be publicly released for comment;
- the Premier and Minister will consider any comments from the public prior to approving the Priority Statement; and
- the Priority Statement will be published in the Government Gazette and on the Department of Environment, Land, Water and Planning (DELWP) website.

Guidelines

This document provides guidance to the Premier and Minister as to how they will exercise their powers in relation to the application of monies from the Fund. Section 70C of the Act also requires that the guidelines be published in the Government Gazette and on DELWP's website. A copy must also be laid before each House of Parliament, and may be disallowed in whole or part by either House of Parliament.

These Guidelines may be updated at any time in accordance with the above requirements.

Sustainability Fund Committee

The Premier and the Minister will be supported by a Sustainability Fund Committee (**Committee**) which will:

- oversee fund management to support Fund transparency and accountability; and
- provide impartial, strategic advice regarding allocations from the fund.

Proposals for allocations from the Fund will be reviewed by the Committee to:

- ensure compliance with legislated objectives;
- assess merit relative against the Fund Priority Statement; and
- consider the proposed value for money.

The Secretary of the DELWP may nominate a Committee Chair from outside government. The remainder of the Committee will comprise governance and financial management experts, and departmental executives responsible for delivering the government's priorities as articulated in the Priority Statement.

The Committee will receive advice from the Sustainability Fund Manager at DELWP on funding proposals including compliance with legislation, consistency with Priority Statement and considerations such as value for money.

3. FUND EXPENDITURE

Fund monies can be allocated either as:

- a grant to any of a wide range of recipients; or
- strategic initiatives which align with the purpose and priorities of the Fund and delivered through Government Departments and Statutory Agencies.

To further support transparency and accountability of the expenditure of Fund monies, DELWP will also publish the allocation of funds in its Annual Report. Once the Annual Report has been tabled in Parliament, a list of all Fund allocations to grants and strategic initiatives will be published on DELWP's website.

Who can receive funding?

Grant allocations from the Fund may be made to a wide range of incorporated or otherwise legally constituted entities. These include community groups, councils, government departments, statutory entities, non-government organisations and businesses. Funding is not available for individuals, nor can it be used to supplement the core administrative costs of an existing organisation.

Contractual obligations

Entities receiving allocations from the Fund are required to enter into appropriate funding arrangements that will detail all funding obligations, including the time frame over which funding will be available. Recipients of Fund monies will be subject to progress and financial reporting requirements throughout the funding arrangement, and on the outcomes and success of the initiative or project, relative to the objectives of the Fund and the agreed deliverables. Funding may be withdrawn if the project fails to deliver on agreed outcomes at specified review periods.

Financial limit

There is no predetermined limit with respect to the amount of financial support available from the Fund for individual projects funded as grants or strategic initiatives.

4. FUNDING ALLOCATIONS

In making decisions regarding the allocation of Fund monies, the Premier and the Minister will consider how the project meets the legislated objectives of the Fund as per section 70 of the Act, and the priorities as set out in the Priority Statement. The Premier and Minister will also consider any advice provided by the Sustainability Fund Committee.

Projects may be funded based on direct recommendation of the Committee. For any other proposals, the Premier and the Minister will seek advice from the Sustainability Fund Manager directly or via the Committee before allocating Fund monies to a project so that they are informed about compliance of the proposal with legislated obligations, its consistency with the priority statement and other considerations such as value for money

Criteria and conditions for funding

The purpose of the Fund is to support projects, programs, services or technologies that will benefit Victoria environmentally, socially and economically. The project must therefore be implemented in Victoria.

Funding considerations

Sustainability Fund Committee advice to the Premier and Minister regarding funding proposals will in the first instance be based on:

- alignment of the objectives with the legal objectives under the Act;
- alignment of the expected outcomes of the proposal against the defined priorities of the Fund as included in the Priority Statement;
- the value for money and funding requirements of the project in light of the immediate and long term environmental benefits that will be achieved; and
- the availability of funding to the applicant from other funding sources.

Types of projects that will NOT be considered for funding

The following applications will not be eligible for grant funding:

- projects that seek retrospective funding for projects or programs that have already started or that have been completed;
- applications for funding to supplement the core administrative costs of an existing organisation;
- projects that duplicate programs already operating with respect to a specific environmental priority;
- projects that are considered inconsistent with government policy objectives;
- projects not meeting state and national legislative requirements, and other relevant statutory approvals and permits; and
- applications not made in accordance with these guidelines.

FURTHER INFORMATION

Further information about the Fund is available at <http://www.delwp.vic.gov.au/> or by contacting the Sustainability Fund Team at DELWP via:

sustainability.fund@delwp.vic.gov.au

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