
Sustainability Investment Reserve Fund Expenditure and Reporting Policy

Policy Owner: Planning and Sustainability
Contact Person: Sustainability Officer
Date of Approval: 05 April 2011 (PS08-04/11)

POLICY OBJECTIVE

To outline the purpose of the sustainability investment fund, the process for expenditure and how financial savings will be reinvested back into the fund.

POLICY STATEMENT

- Identify criteria for project assessment and selection
- Develop a process for fund expenditure
- Identify what savings are and how these will be reinvested back into the fund.

SCOPE

City of Wanneroo projects with measurable sustainability outcomes.

BACKGROUND

In June 2010, Council approved the allocation of seed funding to a reserve for the purpose of expenditure on sustainability initiatives that demonstrate improved environmental benefit and financial savings. It is expected that the fund will be replenished through the Council budget for a five year period after which the fund will be self sustaining by accumulating the demonstrated savings achieved through the implementation of the environmental initiatives. This time period will be reviewed as the policy is implemented to ensure the fund is able to adjust to the large growth in population currently being experienced and ensure financial self-sufficiency is established.

Through the annual Budget adoption process, Council will determine the continuing allocation of any future funds to the SIF and replenishment of the SIF using savings generated by the sustainability initiatives.

CONSULTATION WITH STAKEHOLDERS

An investment plan will be developed at the beginning of each financial year and shall involve consultation with Executive Management Team and approval by Council, to ensure the highest priority projects which offer the greatest environmental and financial rewards are funded.

IMPLICATIONS (Financial, Human Resources)

Investment tracking may require the use of additional resources (staff, contractors or materials) in order to effectively report, especially as the fund grows and larger projects are funded. It is the responsibility of the City's Sustainability Officer to demonstrate that resources are available and gain commitment to meet the reporting requirements.

IMPLEMENTATION

The City's Sustainability Officer will request potential projects from across the organisation on an annual basis. Potential projects will then be reviewed and if acceptable collated with others as part of an annual recommendation to the Executive Management Team (EMT) in an investment plan, which will be subject to Council approval. The assessment will be based on a project's ability to provide environmental benefit, while providing a saving that provides an average of less than twenty four months to repay initial funds. An investment may be an entirely new proposal, or to supplement an existing proposal paying a "premium" to allow for greater consideration of whole of life costing and benefit.

Each project will include a tangible reporting mechanism for demonstrating savings. Only reporting mechanisms that contain known, measurable variables¹ will be considered as suitable for isolation to return to the fund. Where there are further estimated savings², these will be included in the report, but will be deemed as associated benefit and not isolated for return. Reporting on fund progress will be presented during the budget preparation period and as part of the Annual Report with estimations of current savings to coincide with budget requirements for the next financial year.

Additional communication on the success of the SIF may be communicated through other methods such as the CEO report or Clipboard as deemed appropriate.

ROLES AND RESPONSIBILITIES

Council will endorse the funding for the sustainability investment reserve on an annual basis and will be responsible for approving the annual investment plan.

Release of the reserve funds in accordance with the approved Investment Plan will be the responsibility of the Director, Planning and Sustainability following presentation to EMT.

The Sustainability Officer is responsible for assessment of potential projects to be implemented through the fund, preparation of a report to EMT for release of the funds and preparation of annual reports and project updates.

Assessment, implementation and reporting of the projects will be overseen by the Principal Environmental Planner.

¹ Known variables are those which can be clearly identified, for example, library opening hours and patron access

² Estimated savings are where savings can be assumed but not clearly identified or quantified, for example savings in maintenance through extended product life.

DISPUTE RESOLUTION

All disputes in regard to this Policy will be referred to the Director, Planning and Sustainability.

WHO NEEDS TO KNOW ABOUT THIS POLICY?

All service units can request projects be considered and the entire organisation should be aware of the Policy.

EVALUATION AND REVIEW PROVISIONS

The effectiveness of the Policy will be established through the success of the projects supported through the Fund. Environmental improvement and financial savings will be monitored and included in annual reporting.

Environmental improvement will be measured by establishing a baseline and then measuring set criteria to demonstrate environmental benefit. For example, carbon emissions reductions can be established through current electricity usage, reduced energy usage will produce a known reduction in carbon emissions. Other environmental variables that could be used to demonstrate environmental improvement include water quality, reduced water use, reduced waste production and protection of biodiversity and associated habitat.

Financial saving will be assessed by tracking known variables and demonstrated monetary savings.

Projects will be tracked and savings isolated for their complete life cycle or up to a maximum period of five years.

RESPONSIBILITY FOR IMPLEMENTATION

Sustainability Officer

Version	Next Review	Record No:
	June 2013	11/25212