



ECO BUY

ANNUAL REPORT

2009-2010



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Chair and Chief Executive's Foreword

ECO-Buy has developed a strategy which is aimed at growing the range of services it offers in environmental purchasing. This strategy has two aims, firstly to make progress towards the vision for the organisation 'Every purchasing decision made in Australia takes the environment into account.....' and secondly to move towards financial security for the organisation.

We have made significant progress towards implementing this strategy in the following areas:

- ❑ Launching and promoting ECO-Buy Advisory Services and successfully winning and undertaking a number of projects including a sustainable catering project for the Victorian Government.
- ❑ Developing and launching a new on-line sustainable procurement self assessment tool based on international best practice.
- ❑ Launching a range of new training modules and holding our first training courses interstate.

Along with these new initiatives ECO-Buy has sought to strengthen engagement through existing activities including the following initiatives:

- ❑ Developing our Awards for Excellence event to include awards for suppliers of genuine green products and to enhance the profile and standing of the event.
- ❑ Engagement with members to review the services offered. This has included 'the Big Rethink' a major consultation exercise with local government members.
- ❑ Migrating the State Government Sustainable Purchasing Program from a pilot program to a full program involving 23 departments and agencies from the Victorian Government.

All the while the profile of ECO-Buy has continued to grow with the CEO and staff involved in an increasing number of activities to promote green purchasing and its benefits both on the national and international stage, ECO-Buy was the only Australian representative at the third international sustainable purchasing conference in Suwon, South Korea in September 2009.

ECO-Buy will continue to provide a leading role in the area of environmental purchasing by looking to grow its activities across Australia in a way that is both effective and financially sound.

ECO-Buy has a history of advocating for sustainable procurement practices. We work against a backdrop of political change and uncertainty in a modern Australia but one political certainty in

relation to a price on carbon would greatly assist in speeding the progress towards environmentally preferable purchasing becoming accepted business practice. Addressing this issue is a significant opportunity for Australia and will have a number of spin off economic benefits through developing markets for green products, growing exports and creating new jobs.

Other opportunities for progress include:

- ❑ Improving planning frameworks and building regulations to incorporate environmentally sustainable design;
- ❑ Increasing minimum environmental performance standards
- ❑ Increased government leadership in this area through stronger targets and tracking and reporting of environmentally preferable purchasing.

Addressing these issues provides opportunities for government leadership in the area but of course we all need to play a role in managing our resources more effectively and improving productivity and more efficient materials flow through our supply chains. Improving efficiency is both an economic and environmental necessity. Organisations need the right encouragement to make improvements and also a range of tools and assistance to make changes necessary to their purchasing practices.

Mike Hill
Chair

Hugh Wareham
Chief Executive Officer

Our Story

ECO-Buy is an innovative organisation established to encourage the purchasing of green products across its member organisations – local and state government to businesses. Green purchasing offers a great way for organisations to show leadership in environmental responsibility and demonstrate a practical commitment to sustainability with measurable results. ECO-Buy aims to protect and enhance the environment by encouraging the increased demand for, and use of, environmentally preferred products and services. We do this by operating as a Centre of Excellence in Environmental Purchasing, influencing the market towards environmentally preferable choices by providing purchasers with effective information, knowledge and tools.

ECO-Buy began in 2000 as the Local Government Buy Recycled Alliance (LGBRA). The LGBRA worked with Victorian local governments to increase the level of recycled content products purchased. In 2002, additional funding enabled the program to expand and encompass a full range of green products. The LGBRA then became the more comprehensive ECO-Buy program, which was funded by Sustainability Victoria, the Municipal Association of Victoria and through the Victorian Greenhouse Strategy. In May of 2007 ECO-Buy became an independent not for profit organisation, funded by the Sustainability Fund, Sustainability Victoria and the Department of Sustainability and Environment.

As well as its central program with Victorian local governments, ECO-Buy also works with large businesses, Victorian State Government departments and agencies, Associate members and any organisations who are interested in green purchasing.

ECO-Buy received funding in 2009-2010 from the State Government's Sustainability Fund and Sustainability Victoria.

ECO-Buy Vision

Every purchasing decision made in Australia takes the environment into account, considers the full life-cycle of the product or service, and that a vibrant market of suppliers exists to fulfil environmental purchasing needs.

ECO-Buy Mission

To influence the market towards environmentally preferable choices by providing purchasers with effective information, knowledge and tools

ECO-Buy works with local and state government and business to encourage purchasing of green products, ie. products that are less damaging to our environment and human health.

ECO-Buy aims to:

1. Motivate environmental purchasing and encourage the sustainable use of resources to:
 - Reduce greenhouse gas emissions
 - Reduce water consumption
 - Reduce the use of toxic chemicals
 - Improve indoor air quality
2. Increase awareness of the range and quality of green products
3. Support and stimulate sustainable long-term markets for green products
4. Create business, state and local government networks committed to green purchasing



Images from the State of Green Purchasing
Report Launch – October 2009

Our Team

ECO-Buy is a team of seven staff.



Hugh Wareham is the inaugural CEO of ECO-Buy, and is responsible for the leadership of ECO-Buy as a Centre of Excellence in Environmental Purchasing and its vision to 'green' purchasing across Australia.

Hugh is also a Board member of Environment Victoria and was previously the Director and Deputy to Victoria's Commissioner for Environmental Sustainability.

Prior to moving to Australia, Hugh worked in a number of senior positions for the Environment Agency, the leading public body for protecting and improving the environment in England and Wales.



Andrew Foran is responsible for the development and delivery of training, advisory and project management services to ECO-Buy's members and clients, and providing direct advice and guidance to ECO-Buy business members including Toyota, NAB, Boral, Origin Energy and Qantas. Andrew's expertise covers the development and implementation of green purchasing and sustainable supply chain strategies, policies and planning. Previously a sustainable business consultant, Andrew worked with a number of high profile organisations. Andrew was general manager and part owner of FDF Aquaculture. Andrew holds a Masters of Business Administration from Deakin University and a Graduate Diploma of Environmental Management and Planning from RMIT University.



Stephen Reardon is responsible for developing and managing ECO-Buy's research program, and managing the ECO-Find database of green products and suppliers. Stephen's expertise covers life cycle thinking, the development and application of sustainability criteria, verification of claims, environmental standards and labels, and supplier liaison. Prior to working at ECO-Buy, Stephen worked for several years as a Sustainability Analyst for Monash Sustainability Enterprises where he developed systems to assess the sustainability performance of ASX listed companies. Stephen initially studied Industrial Design and, after developing a passion for sustainable product development, completed a Masters by Research at the Centre for Design at RMIT.



Kay Völger is responsible for all of the Local Government members throughout metropolitan and regional Victoria, providing them with advice and guidance to help them on their journey to green purchasing excellence. Originally from South Africa, Kay gained a Bachelor of Science (Honours) in Geography and Environmental Management before moving to the UK, where she worked for Local Government and for the Environment Agency. Her achievements included managing an ISO14001 environmental management system, developing a sustainability program and managing a schools environmental education program.



Geraldine Plas is responsible for providing green purchasing advice and guidance to ECO-Buy's State Government members. Geraldine has expertise in the areas of green purchasing, environmental impact assessment, policy development, environmental management systems, corporate sustainability and statutory compliance. Before joining ECO-Buy, Geraldine worked for the Victorian EPA, the New Zealand Parliamentary Commissioner for the Environment, Swinburne University and the international local government association ICLEI, in Europe and Australia. Geraldine holds a Master of Science degree in Environmental Engineering and Sustainable Infrastructure from the Royal Institute of Technology in Stockholm, Sweden. She also studied engineering in France.



Mary Dunne is responsible for identifying and developing business opportunities for ECO-Buy, and growing the organisation's advisory and project management services. Prior to joining ECO-Buy, Mary worked in the Economic Development Unit at Whittlesea City Council, where a key part of her role was to develop the Council's first Green Industry Strategy. Mary relocated to Australia from the UK, where she ran her own consultancy developing and delivering strategic marketing and research projects for a range of clients across government, private and not-for-profit sectors. She holds a Masters in Marketing from the University of Greenwich, London.



Rosalie Maxted is responsible for providing support to the CEO, Board and ECO-Buy program managers, as well as assistance with accounts, event management, program support, and general office administration. Prior to ECO-Buy, Rosalie worked in a number of senior administrative roles for The Royal Children's Hospital in Melbourne. Rosalie also works with the Sustainable Living Foundation, and is currently completing a Diploma of Sustainability at Swinburne University of Technology.

ECO-Buy also has an exciting and enthusiastic team of volunteers and interns who provide invaluable support to the organisation.

Our Directors

ECO-Buy Limited has a board of eight directors with the profiles below highlighting the range of skills and experience that they bring to ECO-Buy. Further details about Director's interests and roles are included with the financial statements.



Mike Hill (Chair) has 18 years of close involvement with local governments, including periods as Mayor of Brunswick and of Moreland. He has a long-standing commitment to issues of sustainability and a history of involvement in materials and energy efficiency issues and programs. He is currently Chair, Moreland Energy Foundation; Director, Sustainability Victoria; Board Member, Environment Protection Authority; Chair, Natural Resources and Conservation League; and Advisory Committee Member, RMIT Centre for Design.

Caroline Bayliss (Company Secretary) is Director of the Global Sustainability Institute at RMIT, where she develops projects and partnerships with the business community. Before joining RMIT, Caroline worked as Corporate Affairs Manager at Phillip Morris Ltd where she dealt with issues of corporate, social and environmental responsibility. She has degrees in Arts and Law from Monash University.



Bill Forrest is Chief Executive Officer of ICLEI Oceania. Prior to his current role, he was Chief Executive of the Shire of Nillumbik, Group Manager Environment and Planning Services, Nillumbik and Director City Development, Moonee Valley City Council. Most of his career has been in local government. He has a Masters degree in Urban Planning and a Bachelor of Social Work. Bill is a member of the MAV's Strategic Environment Advisory Group.

James Holgate is Director of Road User Safety, Vic Roads. James' prior roles have included Manager, Environmental Policy at Toyota Australia, where he was responsible for the development of environmental strategies and implementation plans; leading organisational programs in sustainable procurement, supply chain environmental programs and climate change policy. He has worked for the NSW Department of Transport, NRMA and the Federal Office of Road Safety in government/stakeholder relationship roles. He has degrees in Science and Engineering.





Liza Maimone is a Partner of PricewaterhouseCoopers and the leader of PwC's Sustainability & Climate Change practice in Australia. She has led a wide range of projects in the areas of sustainability strategy and reporting, climate change, health, safety and environment risk management. Prior to professional services, Liza worked for a global engineering firm and also in the resources industry as an environmental projects engineer.

Alan Pears AM has worked in the sustainable energy and environment fields since the late 1970s. He is Co-Director of Sustainable Solutions, an environmental consultancy which is involved in green building projects, building energy and environmental rating and regulation, green appliance development, industrial and business energy/environmental management and policy analysis. He is also an Adjunct Professor at RMIT. Alan was awarded a Member of the Order of Australia (AM) in the 2010 Queen's Birthday Honours for his services to the environment.



Katherine Teh-White is the Founding Managing Director of Futureye, a consultancy in sustainable development. She is a political scientist and former journalist with 17 years' experience in environmental and social policy. Prior to consulting, Katherine worked for WMC Resources and North Ltd. She was awarded a Telstra Business Woman of the Year Award in 2000. Katherine has been enrolled onto the Victorian Women's Honour Roll. Katherine has a Bachelor of Arts.

Peter Yates is CEO and Company Secretary of the Victorian Industry Capability Network (ICN), a non-profit organisation funded by the State Government. ICN's role is to support Victorian and Australian industry by sourcing competitive local products and services that can replace imports. Peter joined ICN in 1995, working on major projects such as Telstra Dome and Melbourne Train and Tram, before being promoted to CEO in 2005. Prior to joining ICN, he was Procurement Manager for the SEC's Latrobe Valley operation.



Peter Yates resigned from the Board on 22 September 2009



John Nolan is Director of Nolan Consulting which provides technical, commercial and stakeholder advisory services on water and environmental matters to public and private sector clients. He has experience in business development, building and maintaining technical excellence, and undertaking strategic water and environment projects. He has degrees in Engineering and Science and a Dip Ed. He is also an EPA accredited environmental auditor for industrial facilities and natural resources.

John Nolan was appointed to the Board on 15 February 2010

Our Work

ECO-Buy provides a range of services aimed at helping organisations in the area of environmentally preferable purchasing. Informed by leading practice in Australia and globally, ECO-Buy offers a comprehensive, practical and action focused approach to implementing green purchasing. Our services cover the following areas:

Membership

Membership packages include a range of resources and material to assist organisations green their purchasing:

- Spend assessment and prioritisation workshop
- Benchmarking tools
- Strategy and policy templates and advice
- Purchasing frameworks and checklists
- Contract and tender assistance
- Product assessment guides
- Staff training
- Tracking and reporting templates

Suppliers and Product Sourcing

ECO-Buy verifies genuine green products and services and helps purchasers find greener alternatives.

Advisory Services and Project Management

ECO-Buy offers specialist advice and project management services to assist organisations with all aspects of environmental purchasing including:

- Spend assessment and prioritisation
- Benchmarking
- Performance assessment
- Strategy and policy development and implementation
- Purchasing frameworks and checklists
- Contract and tender development and review
- Product assessment and selection
- Staff engagement/education
- Behaviour change management
- Tracking and reporting

Research

ECO-Buy conducts research into a variety of areas of green purchasing.

- Best practice approaches/tools
- Purchasing and scope 3 emissions
- Environmental life cycle assessment
- Quantification of environmental benefits

Training

ECO-Buy offers customised development and delivery of training programs and workshops.

Events

ECO-Buy has conducted a number of specialist green events and forums, including Green Purchasing Expo, launch of the Green Purchasing in Australia, and the ECO-Buy Awards for Excellence in Green Purchasing.

Sustainable Procurement Assessment Tool

An on-line self assessment tool that enables organisations to assess and benchmark their own performance, identify areas for improvement, and to record their efforts. Based on an internationally developed set of standards, the tool determines whether an organisation is at entry, bronze silver or gold level.



Our Members

ECO-Buy's members are committed to green purchasing practices as part of their membership.

ECO-Buy's members in 2009-2010 included Local Government councils, State Government departments and agencies, corporate large business and small to medium enterprises.

These members are all listed in Appendix A.

In addition to its membership, ECO-Buy has more than 180 suppliers of environmentally preferable products on its ECO-Find database. These suppliers are required to meet ECO-Buy's own criteria before they are listed. Suppliers are not 'members' but ECO-Buy seeks to promote organisations listed on ECO-Find to members as potential suppliers of environmentally preferable products.



Our Achievements in 2009-2010

Business Program

The Business Program has a membership of 15 businesses representing an estimated combined purchasing budget of over \$40 billion. The program continued its focus on supporting the green purchasing needs of its members, consolidating relationships with existing members, and developing new services for both member and non member organisations.

A number of workshops were held with members, covering areas from contracts and tenders to prioritising green spend opportunities.

A number of Business Member Roundtable Meetings were also convened to share information and members to learn from other organisations, and to hear about the latest developments in green purchasing from leading academics, industry bodies and suppliers. Topics covered in 2009-2010 included 'What is a green product?' and 'Sustainable paper, print and postage'. The latter meeting was held in conjunction with the NAB Supplier Innovation Forum.

During 2009-2010 ECO-Buy Business members successfully implemented a wide range of green purchasing initiatives, from purchasing, products, behaviour change and communication.

Boral was a well deserved winner of the Business Award at the ECO-Buy Awards, with the National Australia Bank the runner up in this category.

Excellence in Green Purchasing 2010 Awards Business Award Winner Boral

Boral is Australia's largest building and construction materials supplier, with significant operations in the USA and Asia and directly employing around 15,000 people.

As a large organisation, Boral is used to making big decisions. But when a small question was asked – how can we improve our packaging (paper sacks) for cement and concrete products? – it set off a quest that improved not only Boral's packaging, but the sustainability standard for the cement industry.

Using a collaborative and continuous improvement approach, a project team lead by the National Procurement Manager and the Packaged Products Manager of Blue Circle Southern Cement worked closely with employees and the supply market to achieve a step change improvement in the sustainability, performance and cost efficiency of paper sacks whilst delivering improved operational performance.

The result: a seemingly small change from a 3 ply to a 2ply paper sack reduced annual paper consumption by 860 tonnes, and has set a global benchmark with regard to paper grammage, strength, customer satisfaction and lowest environmental impacts.

Local Government Program

Membership

Fifty-five local governments (including two alpine resort management boards) were participating in the ECO-Buy local government program in 2009-2010. This represents approximately 70 per cent of all local government in Victoria and is testimony to the strong support for green purchasing within the sector.

Six local governments joined the Accelerator program which provides members with increased support, training and benchmarking information.

The Big Re-think Review

ECO-Buy undertook a formal review the Local Government Program in consultation with members in early 2010. The key objectives of the review were to:

- ❑ Seek support and maximise program 'ownership' from members through consultation and inclusion in the review process
- ❑ Engage members in the change process as ECO-Buy transitions to a new phase
- ❑ Identify services valued and new areas members would like to see developed
- ❑ Identify more effective and efficient ways of delivering the program.

The Big Re-think Review resulted in the generation of many new ideas and directions for the ECO-Buy Local Government Program. Key findings included: increasing support around generating buy-in to the program from senior staff, providing more benchmarking information to program members, streamline/review the annual reporting process, and continuing to offer networking opportunities.

Findings from the review process have been incorporated into the program services offered in 2010-2011.

Training

Access to ECO-Buy's professional development training is a key benefit of membership to the Local Government Program. Key training highlights from 2009-2010 include:

- ❑ 105 local government staff attended the Introduction to Green Purchasing training
- ❑ 120 staff attended the 'Greening your Contract and Tenders' workshop

Events

ECO-Buy regularly facilitates opportunities for its members to network, share information in a peer learning environment and learn about the latest market developments for green products.

Event highlights in 2009-2010 include:

- ❑ Facilitated four well attended metropolitan network meetings and four regional network meetings in Mortlake, Shepparton, Bendigo and Corangamite
- ❑ Piloted 'theme' based network meetings to expand audience to targeted local government staff (e.g. Recycled Organics session attracted local government staff from parks and gardens units)

State of Local Government Green Purchasing in Victoria Report

The State of Local Government Green Purchasing Report of expenditure on green products continues to be a cornerstone of the local government program. Seventy per cent of local government members returned an annual report.

Key findings from the State of Local Government Green Purchasing Report 2008-2009 include:

- ❑ Members invested over \$73.2 million in environmentally preferred products in 2008-2009 – \$1.72 million more than the previous year
- ❑ 72 per cent of members reported having a formal green purchasing policy
- ❑ The number of green products purchased by members has grown from 80 in 2000-2001 to over 450 in 2008-2009
- ❑ Over 3,800 tonnes of CO₂-e were avoided, 145,000 litres of water, and 46.8 hectares of land saved through the combined purchase of recycled content asphalt, compost, mobile garbage bins and paper
- ❑ There is an increase of over \$3.14 million in greenhouse friendly products in 2008-2009 compared to the previous year, with an ongoing trend in fleet management with members downsizing to smaller cylinder cars and emissions controlled plant vehicles
- ❑ There was an increase of over \$1 million in water saving products in 2008-2009 over the previous year, indicating the continued priority for conserving water resources

Awards for Excellence in Green Purchasing

ECO-Buy recognises member achievements each year at the Awards for Excellence in Green Purchasing. The ECO-Buy Awards are the only event in Australia dedicated to celebrating outstanding achievement in environmental purchasing.

There are seven awards presented to local government members, celebrating a range of green purchasing achievements.

The 2010 Awards ceremony was held on 6 May 2010 at the CUB Malthouse Theatre, Southbank, with the following Awards presented to local government members:

Excellence in Green Purchasing 2010 Awards Local Government Award Winners

Award	Winner
Excellence in Green Purchasing by a Metropolitan Council	Glen Eira City Council
Excellence in Green Purchasing by a Regional Council	Greater Bendigo Rural City Council
Excellence in Green Purchasing by a Small Rural Council	Alpine Shire Council
Excellence in Greenhouse Friendly Purchasing	Darebin City Council
Excellence in Recycled Product Purchasing	Bayside City Council
Water Saving Champion	Glen Eira City Council
Green Powered Champion	Darebin City Council

State Government Program

Twenty-two Victorian government departments and agencies, and one South Australian department participated in ECO-Buy State Government Program in 2009-2010. The program is generously supported by the Department of Sustainability and Environment. The program offers tools, resources and training to assist member organisations in the greening of their purchasing practices.

ECO-Buy services to its State Government members in 2009-2010 included:

- Sixteen in-house workshops on the fundamentals and framework for green purchasing,
- Six assessment and prioritisation workshops
- Three roundtable workshops, that fostered information exchange between members, and included invited speakers.

State Government members have committed to develop, adopt and implement a policy, action plan, and measuring and reporting systems for green purchasing. They steadily progressed towards these goals in 2009-2010.

Museum Victoria received the 2010 Excellence in Green Purchasing Award, with finalist Department of Treasury and Finance also recognised for its work on Whole of Government contracts. Other outstanding achievements include several members already meeting the 2010-2011 government target of 25% GreenPower, and systematically including environmental specifications in their contracts and tenders.

Excellence in Green Purchasing 2010 Awards Victorian State Government Award Winner Museum Victoria: Exhibiting Green Credentials

Museum Victoria is the largest public museums organisation in Australia. It provides public access to its collections through three museums and oversees a wide range of research programs.

A key priority of Museum Victoria's environmental sustainability policy relates to embedding environmental criteria into the procurement procedures of goods, services and works. Museum Victoria is particularly committed to procuring sustainable designs for all new exhibitions, and has created a Cost of Life tool which enables users to calculate the environmental and operating impact of technology across the life of an exhibition.

Museum Victoria's other green purchasing initiatives include the installation of infrastructure in the Melbourne Museum car park to reduce lighting demand and the purchase of 100 desktop and 50 notebook Energy Star-compliant computers.

Suppliers and Product Sourcing

ECO-Buy continues to work with suppliers of environmentally preferable products through its ECO-Find database. This work focuses on two key areas:

- ❑ Ensuring Suppliers listed on ECO-Find offer products that are a genuine improvement compared to existing products
- ❑ Ensuring Suppliers receive adequate value from their ECO-Find listing.

To achieve these goals, ECO-Buy undertakes ongoing research to refine its criteria in line with improved practice in green products. ECO-Buy is also expanding the scope of its criteria to cover emerging areas, for example green services, in response to requests from Members.

ECO-Buy has offered a number of opportunities for Suppliers to gain additional exposure with Members in response to a focus group held in 2009. These events have included a green product showcase at the ECO-Buy Awards and the 2010 Green Purchasing Expo held at RMIT Storey Hall. Despite ECO-Buy introducing a fee for participating in these events, Suppliers have been keen to participate.

A highlight of 2010 was the inaugural ECO-Find Green Supplier of the Year award, designed to reward suppliers that provide excellence in green products, value and customer service.

Nominations were taken from Members, with Going Green Solutions taking out the Award.

Advisory Services and Project Management

As part of ECO-Buy's approach to providing a broader range of services, in 2009-2010 we started to formally offer our advisory and project management services to member and non-member organisations.

ECO-Buy has completed or commenced work on a number of these projects, including

- Research into sustainable catering
- Developing sustainable procurement guidelines
- Developing policy and guidance for technical information delivery systems

Schools Program Pilot

One of the major projects started in 2009-2010 was the schools pilot program. The ECO-Buy School Green Purchasing Program Pilot was launched in early 2010. Running across the 2010 academic year, the pilot was kindly subsidised by the Department of Education and Early Childhood Development (DEECD) and the Department of Sustainability and Environment (DSE).

The pilot aims to map out a structured approach for 24 schools to embed green purchasing principles and practices into their operations. It gives schools access to green purchasing resources, training, network meetings and professional advice and guidance from ECO-Buy.

A series of workshops were held in the Melbourne CBD, at St. Leonards College (Cornish Campus) in South East Melbourne and in Geelong at Geelong East Primary School.

Research

A major research focus in the first half of 2010 was the Foodprint project which ECO-Buy undertook for the Department of Sustainability and Environment (DSE).

The primary aim of the project was to develop criteria for food and beverage purchasing by the Victorian State Government.

The project was undertaken in four stages and included a review of current approaches to sustainable public procurement (internationally and locally), development of criteria taking into account existing practice, improved practice and government priorities, trialling the criteria with suppliers, a report including recommendations for implementation across the government.

ECO-Buy is now working with DSE to determine the best strategy for implementation.

Training

ECO-Buy extended and launched its range of training courses in 2009-2010 and held its first training courses in Sydney and Brisbane. The courses held in 2009-2010 included:

- Introduction to green purchasing
- Spend assessment & prioritisation
- Environmental purchasing policy
- Environmental contracts and tenders
- Tracking & reporting green spend
- Sustainable supply chain management

Events

ECO-Buy held a number of events in 2009-2010 the largest of these was the annual Awards for Excellence in Green Purchasing held on 6 May 2010 at the CUB Malthouse Theatre. The awards recognise progress made by ECO-Buy members in progressing green purchasing within their organisations. It also recognised the Supplier of the Year for the first time. More details of the event can be found just before the Appendix.

Other significant events last year included:

- The first Green Purchasing Expo which was a highly successful showcase of products listed on ECO-Find. This event will be repeated on an annual basis.
- The launch of the Green Purchasing in Australia Report in October 2009. The report was the first ever report of this type produced by ECO-Buy (see below)

Green Purchasing in Australia Report 2009

A timely report from ECO-Buy, launched on the 13 October 2009 at the Royal College of Surgeons in Melbourne, highlights the state of green purchasing in Australia, including the key drivers, barriers and solutions to widespread implementation of green purchasing. ECO-Buy commissioned consultancy group NetBalance to undertake extensive research into the state of green purchasing to produce the Green Purchasing Australia Report 2009. This report demonstrates the pressure points driving green purchasing and the range of initiatives organisations can take to get started.

A key finding of the report is that although the market for environmental goods and services has grown in recent years, Australian organisations are struggling to take the necessary steps to green their organisational spending and reduce their environmental footprint. Significant barriers exist ranging from lack of leadership buy-in to a perception that green alternatives cost more and do not perform as well.

This report draws attention to the real and practical opportunities that exist to overcome barriers to organisational green purchasing, based on international best practice and ECO-Buy's 10 years of experience and expertise as a Centre of Excellence in green purchasing.

Sustainable Procurement Assessment Tool

The ECO-Buy Sustainable Procurement Assessment Tool is now available for organisations to measure their sustainable procurement achievements. The online tool covers key aspects of procurement in two parts: sustainable procurement management systems, and green spend. It keeps a record of organisations' self-assessments over the years, identifies gaps in management systems, and provides a reporting framework.

ECO-Buy's assessment tool is based on both the Mayor of London's Green Procurement Code and on the UK Government's Sustainable Procurement Framework. Use of the tool is complimentary for ECO-Buy members.

Our Future Directions for 2010-2011

Strategy

In November 2009 the ECO-Buy Board discussed the main strategic priorities for the organisation as it works towards financial self sufficiency.

Four key themes emerged:

- ❑ **Creating demand and advocacy for Green purchasing** to ensure that environmental purchasing becomes a more widespread sustainability goal and that ECO-Buy's business will grow.
- ❑ **Improving marketing of services and benefits** to ensure that ECO-Buy effectively communicates the benefits of green purchasing and to create the demand for its services.
- ❑ **Growing business service lines and client groups** to develop income generation and engage in more markets.
- ❑ **Ensuring we have the skills and capacity to deliver** and develop expertise in new service areas such as advisory services and business development.

These priorities will be incorporated into a new business plan for the period 2010-13. This business plan will aim to develop the organisation to ensure the future viability of ECO-Buy as it no longer receives government funding. To achieve viability ECO-Buy needs to maximise the profitability of its services and achieve overall profitability across its portfolio while delivering the agreed vision for the organisation.

Business Program

The aim for the Business Program is to deliver environmental and financial value to member organisations by providing solutions to their needs and through improving their green purchasing practices and principles, to grow membership numbers, and to build on and communicate the efforts and initiatives of the existing leading practice membership group.

Local Government Program

The Local Government Program will continue to be offered as a tiered membership in 2010-2011, with Accelerator members receiving additional training and support. Offering higher membership levels and advisory services will remain a focus in line with the ECO-Buy business plan.

With the success of the Green Roads and Footpaths Forum, ECO-Buy will seek to offer quarterly forum-style events. These will seek to engage key purchasing areas within local government (e.g. roads, facilities maintenance, and corporate services) in order to expand ECO-Buys influence into new areas.

We also aim to continue to develop partnerships with local government sector stakeholders and explore opportunities for synergies between like minded organisations. This could include Victorian State Government, peak local government bodies and aggregated procurement bodies.

State Government Program

ECO-Buy will continue to offer a series of membership packages to State Government organisations in 2010/11. The foundation package builds green purchasing capacity and supports organisations to establish an effective green purchasing policy and strategy. The building package focuses on greening tenders and contracts, and establishing systems to accurately track and report on green purchasing achievements.

ECO-Buy also offers tailored services to State Government organisations that may have different needs, and plans to develop sector specific resources. Victorian State Government Departments who opt for a package membership can benefit from a generous discount, made available by the Department of Sustainability and Environment.

Suppliers and Product Sourcing

ECO-Buy will continue to grow the number of suppliers listed on ECO-Find, developing recruitment strategies to attract suitable suppliers. ECO-Buy will develop opportunities for suppliers to meet members, for example through the Green Purchasing Expo planned for September. ECO-Buy will use the experience gained from the Expo to plan other events to connect ECO-Find suppliers with ECO-Buy members.

Advisory Services and Project Management

ECO-Buy aims to grow its advisory and project management services in line with its role as a centre of excellence in environmental purchasing and to expand the range of organisations it works with and to utilise the experience it has developed working with member over a number of years.

Research

Implementing the ECO-Buy research strategy is a priority for 2009-2010. This will include identification of suitable research partners, funding opportunities and potential research projects.

The Green Purchasing Australia Report that was developed in 2008-2009 will be launched in 2009-2010.

Events and Forums

ECO-Buy aims to raise and highlight barriers to green purchasing, identify the drivers and to promote solutions to furthering green purchasing in Australia. Events and forums provide additional benefit to both members and non members of ECO-Buy.

Training

In 2010-2011 ECO-Buy plans to expand the range of training courses offered, including our partner training courses, and to offer sessions in all Australian capital cities

Our Green Office

It is vital that our operations exemplify our values and we are committed to leading by example through environmentally sustainable practices in our work place and activities, in particular, implementing green purchasing.

Office Based Environmental Impacts

ECO-Buy is primarily an office based business – our environmental footprint related to the environmental aspects of our office activities are summarised below. In a number of areas there has been an increase in use of materials as the number of part time volunteers has increased and the office has become busier. Other figures such as waste are based on a proportion of the totals generated for the whole building.

ECO-Buy Office Based Environmental Impacts Summary 2009-2010

Environmental aspect	Indicator	2008 / 2009	2009 / 2010
Purchasing[^] (spend on green product as a % of total spend on the product category)	Office furniture	99%	98%
	Stationery & promotional items	75%	49%
	Paper & publications	100%	99%
	Catering food & beverages	67%	61%
	Cleaning	100%	100%
Energy	Total Energy Use (mJ)	38,916 mJ	46,700 mJ
	Total Energy Use – lighting (mJ)	3,890 mJ	3,275 mJ
	Total Energy Use – general power (mJ)	6,194 mJ	9,727 mJ
	Total Energy Use – heating and cooling (mJ)	28,832 mJ	33,698 mJ
	Green Power purchased (% of total electricity consumption)	100%	100%
Waste[#]	Paper (% of total waste)	7.3%	7.1%
	Co-mingled (% of total waste)	7.2%	6.7%
	Cardboard (% of total waste)	7.4%	7.0%
	Residual material (% of total waste)	7.4%	5.0%
Paper	Total units of paper used (Reams)*	35 reams	47 reams
	Units of paper used per FTE (Reams/FTE annualised)	6.3 reams	8.1 reams
Water	Total units of water (litres)	62,414 litres	70,625 litres
	Units of water consumed per FTE (Litres/FTE)	11,145 litres	12,176 litres
Transportation	Employees regularly (>90%) of work attendance days using public transport, cycling or walking to and from work (% total employees)	100%	100%

[^]Spend on product only – does not include associated service spend, e.g. graphical design service for publications

[#]data is for the whole of the 60L Green Building as we did not conduct any waste audits for our own office. Our office waste segregation system complements the 60L Green Building recycling system. Figures are estimates based on the assumption that bins were full when emptied.

Conversions calculated using www.unitconversion.org

ECO-Buy Office Based Environmental Impacts

Purchasing

ECO-Buy aims to 'walk the talk' with its own green purchasing and considers the environment in everything that we purchase. We have developed our own green purchasing policy which states that "ECO-Buy will purchase environmentally preferable products and services wherever they perform satisfactorily and are available at a competitive price. Purchasing decisions will consider both the full life cycle and total cost of ownership of the product or service".

The majority of our purchasing is in the following areas:

Office Furniture – when extra furniture is required, we endeavour to purchase second hand items where possible to continue the product's life cycle. If this is not possible, we identify the most energy efficient or green product available on the market.

Stationary – ECO-Buy purchases stationary from an office product supplier with an extensive green product range. These products are the preferred items and are purchased when required. There are, however, instances where green options are not available and the next best option is selected. Our performance in this area has declined this year in comparison to last year and is mainly attributed to an increased number of events and the various items required for them.

Paper & Publications – ECO-Buy purchases 100% post-consumer recycled paper at all times. Other paper products (thin card for certificates and brochures) are required to include some recycled content. The majority of publications are generated by an environmentally conscious graphic designer who uses exclusively 100% post-consumer recycled paper and vegetable based inks.

Catering, Food & Beverages – this is proving to be a challenge due to the number of events that ECO-Buy is now conducting. ECO-Buy strives to provide organic and/or sustainable food and beverages at our meetings, training courses and events. However, many of these events are being held in external venues, interstate function rooms and regional towns and cities where organic and/or sustainable catering options are not readily available.

Cleaning – the ECO-Buy offices are regularly maintained by an environmentally friendly cleaning company who utilises green products. Where additional cleaning is required, the most environmentally friendly products are purchased from an on-site eco-store.

Energy

The 60L Green Building uses 100% Green Power and has a rooftop solar array on site, which generates power for use in the building. In times of low demand, the solar array supplies energy back into the electricity grid.

We also actively reduce energy consumption, compared to traditional commercial buildings, by utilising the 60L Building's two different operating modes:

- Passive – when the internal temperature is between 19-26°C, air flow is controlled by the computerised louvre system, and
- Active – when the building temperature is above or below the 19-26°C band, active heating or cooling can be operated by our own heating/cooling unit.

Whilst our power source is renewable, we still ensure lights are only turned on if natural light is insufficient. Lights, kitchen appliances and IT equipment are switched off when not in use.

Waste

As a result of previously implemented waste reduction strategies, ECO-Buy has managed to reduce its waste in all areas. These are some of the strategies that have been put in place:

- A recycling separation system for our office-based material, consisting of paper recycling and co-mingled plastic/metals recycling
- Default double sided and secure mailbox printing to reduce unnecessary printing
- Agreement with local cafes to allow staff to take their own plates and mugs when purchasing takeaway food and drinks to reduce packaging
- Our events utilise sustainable caterers where possible who reuse their serving platters

Water

Leasing office space in the 60L Green Building means we can conserve water through the building's technology such as:

- Water efficient fixtures and fittings, including water-less urinals and low flush volume toilet pans
- Collected rainwater to replace 100% of normal mains water consumption whenever possible
- Use of reclaimed water for flushing toilet pans and irrigating the rooftop gardens

Transport

All staff travel to the ECO-Buy office either by bicycle or public transport. For business-related travel the following options are available:

- Metcards are available to staff for travel in metropolitan Melbourne
- Travel to regional areas is by V-Line train where possible

ECO-Buy Awards for Excellence in Green Purchasing

The 8th annual ECO-Buy Awards for Excellence in Green Purchasing was held at the CUB Malthouse on 6 May 2010. Attended by 160 local and state government staff and members of the business and not-for-profit community, the event was a memorable occasion that created a buzz around green purchasing.

The only event of its type in Australia, the Awards went the extra mile to walk the talk on sustainability by focusing strongly on minimising its environmental impact.

Some of the green aspects of the event included:

- ❑ The event was designed in accordance with the guidelines set out in the Sustainable Event Management Systems tool (SEMS) consistent with global best practice and the BS 8901 standard, a world first standard for Sustainable Event Management Systems.
- ❑ The CUB Malthouse, a reclaimed warehouse, has its own environmental program – ‘Green Light’
- ❑ A ‘travelwise’ event plan saw selection of a venue with easy access by more sustainable transport modes such as walking, bike and public transport. Travel was monitored during event production and all Awards’ attendees were asked to complete a travel survey.
- ❑ The event was an accredited GreenPower event and the energy use was monitored. Creative effects and the supplier showcase used LED lighting alternatives to reduce energy use.
- ❑ Local certified organic produce, vegetarian options and sustainable seafood were given priority for the food. The wine and beer was all organic.
- ❑ A waste reduction plan detailed opportunities for waste reduction, re-use and recycling. Elements included using 100% recycled content napkins, composting food waste, and using reusable or compostable biodegradable serving ware.
- ❑ The award trophies were made from reclaimed timber, and all finalists received their certificates in a recycled timber frame.
- ❑ The event program was designed with resource efficiency in mind and printed on 100% post-consumer recycled paper with vegetable inks.
- ❑ Event decor was designed with sustainability in mind, and supporting contractors for this event were selected for their sustainable credentials and willingness to support the green aims of the event.



Guests at the ECO-Buy Awards were greeted by roving performers, ‘**The Garden Party**’, (pictured here with Cr Steven Tang, Glen Eira City Council)

Appendix A

BUSINESS PROGRAM MEMBERS 2009-2010

- | | |
|----------------------------|-----------------------------------|
| 1. Alex Fraser Group | 9. Origin Energy |
| 2. Australian Arrow | 10. Qantas |
| 3. Boral | 11. Toyota |
| 4. BP | 12. Sun Microsystems |
| 5. Schweppes | 13. RMIT University |
| 6. Eveready Partitions | 14. Queen Victoria Market |
| 7. Melbourne Water | 15. Visionstream/NextGen Networks |
| 8. National Australia Bank | |

LOCAL GOVERNMENT PROGRAM MEMBERS 2009-2010

- | | |
|--------------------------------------|--|
| 1. Alpine Shire Council | 29. Manningham City Council |
| 2. Banyule City Council | 30. Maribyrnong City Council |
| 3. Bass Coast Shire Council | 31. Maroondah City Council |
| 4. Bayside City Council | 32. Mildura Rural City Council |
| 5. Baw Baw Shire Council | 33. Mitchell Shire Council |
| 6. Boroondara City Council | 34. Moira Shire Council |
| 7. Brimbank City Council | 35. Monash City Council |
| 8. Buloke Shire Council | 36. Moonee Valley City Council |
| 9. Campaspe Shire Council | 37. Moorabool Shire Council |
| 10. Cardinia Shire Council | 38. Moreland City Council |
| 11. Central Goldfields Shire Council | 39. Mornington Peninsula Shire Council |
| 12. Casey City Council | 40. Mount Alexander Shire Council |
| 13. Darebin City Council | 41. Moyne Shire Council |
| 14. Greater Bendigo City Council | 42. Nillumbik Shire Council |
| 15. Greater Geelong City Council | 43. Port Phillip City Council |
| 16. Colac Otway Shire Council | 44. Southern Grampians Shire Council |
| 17. Corangamite Shire Council | 45. Stonnington City Council |
| 18. Frankston City Council | 46. Surf Coast Shire Council |
| 19. Glen Eira City Council | 47. Towong Shire Council |
| 20. Greater Dandenong City Council | 48. Wangaratta Rural City Council |
| 21. Greater Shepparton City Council | 49. Warrnambool City Council |
| 22. Hepburn Shire Council | 50. Whitehorse City Council |
| 23. Hobsons Bay City Council | 51. Whittlesea City Council |
| 24. Hume City Council | 52. Wyndham City Council |
| 25. Indigo Shire Council | 53. Yarra City Council |
| 26. Kingston City Council | 54. Yarra Ranges Shire Council |
| 27. Knox City Council | |
| 28. Macedon Ranges Shire Council | |

ALPINE RESORT MANAGEMENT BOARDS

55. Falls Creek Resort Management Board
56. Mount Buller and Mount Stirling Alpine Resort Management Board

ASSOCIATE MEMBERS 2009-2010

1. Business Aide – Victoria
2. Charles Sturt City Council - South Australia
3. Citywide – Victoria
4. Commissioner for Environmental Sustainability – Victoria
5. Country Fire Authority – Victoria
6. Deakin University
7. Department of Human Services – Victoria (transferred to State Government Program)
8. Futureye - Victoria
9. Good Environmental Choice Australia – ACT
10. Landell Consulting – Victoria
11. McLaren Press – Victoria
12. Monash University – Victoria
13. Moreland Energy Foundation Limited (MEFL) – Victoria
14. Net Balance Foundation – Victoria
15. North East Regional Water Authority – Victoria
16. OneSteel Limited – NSW
17. Redland City Council – Queensland
18. RMIT University – Victoria (transferred to Business Program)
19. Sunshine Coast Regional Council – Queensland
20. Victoria University – Victoria
21. Water Corporation – Western Australia
22. WSP Environmental – Victoria
23. Zoos Victoria

STATE GOVERNMENT PROGRAM MEMBERS 2009-2010

1. Ambulance Victoria
2. Barwon Water
3. Building Commission
4. Department for Families and Communities, South Australia
5. Department of Health
6. Department of Human Services
7. Department of Justice
8. Department of Primary Industries
9. Department of Treasury & Finance
10. Eastern Health
11. Emergency Services Telecommunications Authority
12. Health Purchasing Victoria
13. Kooweerup Regional Health Services
14. Melbourne Water
15. Museum Victoria
16. National Gallery Victoria
17. Northern Health
18. Office of the Governor
19. Parks Victoria
20. South East Water
21. Sustainability Victoria
22. Victorian Auditor General Office
23. VicUrban

ECO-BUY LTD

ABN: 53 125 425 247

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2010**

ECO-BUY LTD
ABN: 53 125 425 247

REPORT OF THE DIRECTORS

Your directors present their report on the company for the financial year ended 30th June 2010.

1. Directors

The names of the directors in office since the start of the financial year to the date of this report are:

Michael HILL	(Chairperson)
Caroline BAYLISS	
James HOLGATE	
Liza MAIMONE	
John NOLAN	Appointed 15 th February 2010
Alan PEARS	
Katherine TEH WHITE	
Peter YATES	Resigned 22 nd September 2009
William (Bill) FORREST	

The following person held the position of company secretary at the end of the financial year: Caroline Bayliss.

2. Principal Activities

(a) The principal activity of the company during the financial year was that of protecting and enhancing the environment by encouraging increased demand for, and use of environmentally preferred products and services, and by operating as a centre of excellence in environmental purchasing and there was no change in that activity during the year.

(b) The operation of the company for the year ended 30th June 2010 resulted in an operating surplus of \$130,216.

3. Review of Operations

(a) Eco-Buy Ltd received Victorian Government funding under a contract requiring the organisation to undertake certain tasks to encourage increased demand for, and use and supply of, environmentally preferable products and services, and by operating as a centre of excellence in environmental purchasing. An amount of \$424,080 (2009: \$728,000) has been recognised as Government Grant income and \$40,000 (2009: \$149,080) recognised as unexpended grant income, a current liability due to restrictions on expenditure. Grant funding from Government has been received up front to facilitate the establishment of the organisation and allow the planned development of new services required as part of the funding agreement. In the 2010 year grant funding reduced as the Government funding agreement comes closer to the end of the funding. As planned membership income increased to \$299,954(2009: \$135,848) and consultancy income amounted to \$105,054 (2009: \$NIL).

REPORT OF THE DIRECTORS (CONTINUED)

(b) Expenditure incurred this year included staff costs and contractors of \$479,998 (2009: \$481,507) and expenditure on programmes of \$96,811 (2009: \$151,588). This was the third full year of operation.

4. Events Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the 30th June 2010 financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

5. Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the company for the year ended 30th June 2010.

6. Future Developments

The company commenced full operations during the 2007/2008 financial year in promoting objects as detailed above in this report. Future developments include research and planning of new services in line with the company's principal activities. A new strategy which aims to increase the organisation's level of financial self sufficiency was approved by the Directors in the 2009 year and as a result new training courses and green purchasing programs were introduced in the 2010 year and will be further developed for implementation in the 2010/2011 year on a fee for service basis.

Government Partnership funding continues to decline and ceases in the year ended 30th June 2011 under the current agreement. The viability of the organisation will be dependent on continuing to increase operational revenue.

7. Environmental Issues

The company operations are not subject to significant environmental regulation under the law of the Commonwealth or the State. Its role is entirely complementary to this legislation as outlined in paragraphs 2(a) and 6 above.

8. Information of Directors

The following table sets out the number of meetings of the Company's Directors held during the financial year ended 30th June 2010, and the number of meetings attended by each Director of the Company while they were in office.

ECO-BUY LTD
ABN: 53 125 425 247

REPORT OF THE DIRECTORS (CONTINUED)

Meetings of Directors

	Number Held while a Director	Number Attended
Michael HILL	8	8
Caroline BAYLISS	8	6
James HOLGATE	8	7
Liza MAIMONE	8	6
Alan PEARS	8	7
Katherine TEH WHITE	8	4
Peter YATES	1	-
William (Bill) FORREST	8	7
John NOLAN	4	3

9. Directors/Officers Indemnification

The Directors and Officers of ECO-Buy Ltd have insurance against all liabilities and expenses arising as a result of work performed in their respective capacities to the extent permitted by law. There are presently no contingent liabilities, indemnifications or legal actions against ECO-Buy Ltd.

10. Directors/Officers Emoluments

No Director of the company has received, or become entitled to receive, a benefit by reason of a contract made or proposed by the company or a related corporation with the Director or with a firm of which he or she is a member or with a company in which he or she has a substantial financial interest. The Board members receive no payment for their activities as Directors apart from the Chairman Michael Hill and the Director and Company Secretary Caroline Bayliss who receive Directors' remuneration of \$5,000 each.

11. Members Guarantee

The company is a not for profit entity and is limited by guarantee. If the company is wound up, the company's Constitution states that community members are not required to contribute towards meeting any outstanding obligations of the company apart from \$10 each. On winding up, the assets of the company must be transferred to a similar purpose organisation which is also not for profit.

12. Audit Services

The external auditor provides no other services to the ECO-Buy Ltd and receives no benefit other than the fee for the annual financial audit. The auditor's independence declaration for the financial period ended 30th June 2010 has been received (as required under Section 307C of the Corporations Act 2001).

ECO-BUY LTD
ABN: 53 125 425 247

REPORT OF THE DIRECTORS (CONTINUED)

Information and Qualifications of Directors

NAME	POSITION	QUALIFICATIONS	ECO-BUY ROLE	PROFESSIONAL EXPERIENCE AND OTHER DIRECTORSHIPS AND MEMBERSHIPS
Mike Hill	Chair	B.A., B.Ed.	Director, Chair, Member RPAC	Chair, Moreland Energy Foundation Limited; Former Board Member Environment Protection Board Victoria; Board Member, Sustainability Victoria; Chair, Natural Resources and Conservation League; Co-director, WestWyck Pty Ltd, Member, Advisory Committee, Centre for Design, RMIT
Caroline Bayliss	Company Secretary	B.A.; L.L.B.	Director, Company Secretary, Member ARC	Director, Global Sustainability at RMIT University; Deputy Director United Nations Global Compact Cities Programme; Member, Lake Condah Sustainable Development Project Advisory Committee; Director, Building Melbourne Limited
William (Bill) Forrest	Director	B.SW. (Hons) M.U.P. GAICD	Director, Chair of RPAC	Member, Strategic Environment Advisory Committee, Municipal Association of Victoria; Member, Adult, Community & Further Education Board. CEO of ICLEI Oceania.
James Holgate	Director	B.Sc.; B.E. (Hons); Grad. Dip. Eng.	Director, Chair ARC	Director Road User Safety, Vic Roads; Chair, Speed Limits Advisory Group; Member Austroads Road Safety Task Force
Liza Maimone	Director	B.E. (First Class Hons); Grad Dip (Energy & Resources) Law	Director Appointed 20/07/09 Member ARC	Partner – PricewaterhouseCoopers (PwC) Australia; Sustainability & Climate Change Practice Leader, PwC Australia; Member, Corporate Responsibility Council, PwC Australia
Alan Pears AM	Director	B.E. (Hons) Dip.Ed	Director	Adjunct Professor RMIT University; Director, Sustainable Solutions Pty Ltd.; Member, Plumbing Industry Advisory Council; Member, Independent Expert Advisory Group of the Low Emissions Energy Development Fund, WA Government; Member, National Centre for Sustainability Advisory Board, Swinburne University
Katherine Teh White	Director	B.A. Journalism Cadetship (The Age)	Director	Member, Minister for Resources and Energy's Earth Resources Development Council. Managing Director of Futureye; Former Chair, Business Matrix; Former Director Ruyton Girls' School; Former Director, Alpine School for Leadership; Chairman Deakin University Bachelor of International Studies Academic Board.
Peter Yates	Director	B.E. (Hons)	Director, Member ARC Resigned 22/9/2009	Executive Director, Industry Capability Network (Victoria) Chairman, Aviation & Aerospace Victoria Limited; Member of Design Victoria Board.
John Nolan	Director	B. Eng Civil, M. Eng. Sci, Dip Ed-Secondary, EPA Certified Environmental Auditor	Director, Appointed 15/2/2010	Member of Australian Water Association, Member Engineers Australia, Member International Association of Hydrogeologists. Member Waste Management Association of Australia, Director, Nolan Consulting.

ARC is the Audit and Risk Committee

RPAC is the Remuneration and Performance Appraisal Committee

ECO-BUY LTD
ABN: 53 125 425 247

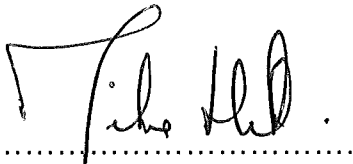
REPORT OF THE DIRECTORS (CONTINUED)

13. Court Proceedings

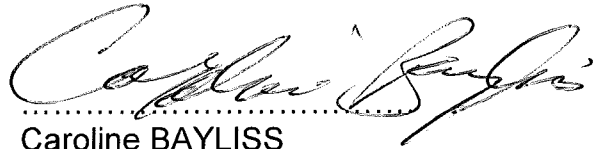
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Signed at Melbourne, in accordance with a resolution of the Board of ECO-Buy Ltd and on behalf of the Board of Directors.

Dated: 23rd of September 2010.



.....
Mike HILL
Director and Chair



.....
Caroline BAYLISS
Director

ECO-BUY LTD
ABN: 53 125 425 247

DIRECTORS DECLARATION

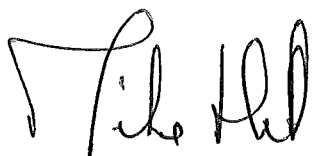
The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the company declare that:

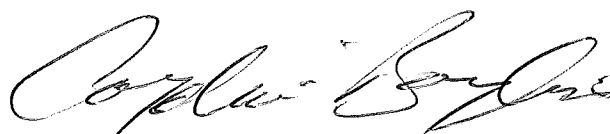
1. The financial statements and notes attached, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair value of the company's financial position as at 30th June 2010 and its performance for the year ended 30th June 2010 in accordance with accounting policies described in Note 1 to the financial statements.

2. In the Directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.



.....
Michael HILL
Director and Chair



.....
Caroline BAYLISS
Director

Signed at Melbourne on 23rd of September 2010.

ECO-BUY LTD
ABN: 53 125 425 247

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001.**

I declare that, to the best of my knowledge and beliefs, during the year ended 30th June 2010 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

McBain McCartin & Co



Leo McCartin

Date 23rd September 2010

Signed at MELBOURNE



McBAIN
McCARTIN & Co

CHARTERED ACCOUNTANTS
AUDIT & ASSURANCE SERVICES

PO Box 82 BALWYN
VICTORIA, AUSTRALIA 3103

ABN 26 028 714 960

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECO-BUY LIMITED
A.B.N 53 125 425 247**

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of ECO – Buy Ltd (the company), which comprises the statement of financial position as at 30th June 2010, and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Liability limited by a scheme approved under Professional Standards Legislation

LEVEL 1, 123 WHITEHORSE ROAD BALWYN VIC 3103

PHONE: +61 3 9817 0700 FACSIMILE: +61 3 9817 0799 E-MAIL: office@mcbainmccartin.com.au WEB: www.mcbainmccartin.com.au

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECO-BUY LIMITED
A.B.N 53 125 425 247**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of ECO - Buy Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30th June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

**MCBAIN MCCARTIN & CO.
CHARTERED ACCOUNTANTS**



**Leo McCartin
Partner**

123 Whitehorse Road, Balwyn

Dated: 23rd September 2010

ECO-BUY LIMITED
ABN: 53 125 425 247

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th JUNE 2010

	Note	2010	2009
		\$	\$
Revenue	2	949,566	967,078
Expenditure	3	819,350	966,177
Net Profit Attributable to Members		<u>130,216</u>	<u>901</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u><u>130,216</u></u>	<u><u>901</u></u>

The accompanying notes form part of the financial statements.

ECO-BUY LIMITED
ABN: 53 125 428 247

STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	684,901	736,241
Receivables	5	287,116	127,411
Prepayments		2,570	6,176
		-----	-----
TOTAL CURRENT ASSETS		974,587	869,828
		-----	-----
NON CURRENT ASSETS			
Equipment Furniture & Fit out	6	29,761	41,514
		-----	-----
TOTAL NON CURRENT ASSETS		29,761	41,514
		-----	-----
TOTAL ASSETS		1,004,348	911,342
		=====	=====
CURRENT LIABILITIES			
Payables	7	58,873	87,454
Provisions	8	14,956	14,115
Unexpended Grant Income		40,000	149,080
Prepaid Membership & Unearned Income		180,237	82,118
		-----	-----
TOTAL CURRENT LIABILITIES		294,066	332,767
		-----	-----
NON CURRENT LIABILITIES			
Provisions	9	2,416	925
		-----	-----
TOTAL LIABILITIES		296,482	333,692
		-----	-----
NET ASSETS		707,866	577,650
		=====	=====
TOTAL EQUITY		707,866	577,650
		=====	=====

The accompanying notes form part of the financial statements.

ECO-BUY LIMITED
ABN: 53 125 425 247

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE 2010

	Members Funds
	2010 \$
Balance at 30 th June 2008	576,749
Operating Surplus 2009 Year	901
Balance at 30 th June 2009	----- 577,650 -----
Operating Surplus 2010 Year	130,216
Balance at 30 th June 2010	----- 707,866 =====

The accompanying notes form part of the financial statements.

ECO-BUY LIMITED
ABN: 53 125 425 247

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th JUNE 2010

	Note	2010	2009
		\$	\$
Cash Flows from Operating Activities			
<i>Inflows</i>			
Government Grants		286,400	580,600
Interest		21,649	30,784
Other Income		470,851	192,158
		-----	-----
		778,900	803,542
		-----	-----
<i>Outflows</i>			
Employees Costs		474,981	467,915
Operating Expenditure		351,193	294,403
		-----	-----
		826,174	762,318
		-----	-----
NET CASH USED IN OPERATING ACTIVITIES	11	47,274	41,224
		-----	-----
Cash Flow from Investing Activities			
Purchase of Capital Equipment & Leasehold Improvements		4,066	1,600
		-----	-----
Net Cash Flow for Year		51,340	39,624
		-----	-----
Cash at bank (Start of Year)		736,241	696,617
		-----	-----
Cash and Cash Equivalents at End of Year	4	684,901	736,241
		-----	-----

The accompanying notes form part of the financial statements.

ECO-BUY LIMITED
ABN: 53 125 428 247

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th JUNE 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Taxation
The Company is a tax – exempt body under the Income Tax Act 1997 and therefore does not account for income tax.

b. Equipment and Furniture
All non current assets having a limited useful life are depreciated over their useful lives to the company in a manner, which reflects the consumption of their service potential of their assets.

Any gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in determining the financial results of the entity in the year of disposal.

The depreciation rates used for each class of depreciable assets are:

Computers	33%	Straight Line basis
Equipment	33%	Straight Line Basis
Office Furniture	10%	Straight Line Basis

ECO-BUY LIMITED
ABN: 53 125 425 247

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th JUNE 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasehold Improvements Amortisation

All leasehold improvements are amortised over the expected period of the lease of the premises that is over 6 years to January 2014.

c. Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date.

The provisions of Australian Accounting Standard AASB 119 Employee Entitlements have been applied.

Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal value plus on costs. Other employee entitlements payable later than one year have been measured at the present value of the future cash outflows to be made for these entitlements.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

d. Recognition of Income

The company receives operational grants which are recognised as income when received. It also receives certain grants with milestones stipulating certain outcomes required and necessary expenditure. When these outcomes or expenditure have not been achieved or moneys expended then the income is treated as unexpended and recognised as a current liability at balance date.

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th JUNE 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- f. Goods and Services Tax (GST)**
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.
- g. Leases**
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.
- h. Impairment of Assets**
At each reporting date the company's management reviews its assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.
- i. Critical Accounting Estimates and Judgements**
The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.
- j. Adoption of New and Revised Accounting Standards**
During the current year the company had adopted all of the new revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.
- The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Eco-Buy Ltd.

ECO-BUY LIMITED
ABN: 53 125 425 247

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th JUNE 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure Impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity - The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income.

The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income – The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

ECO-BUY LIMITED
ABN: 53 125 425 247

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30th JUNE 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- k. New Accounting Standards for Application in Future Periods**
The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt.

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

ECO-BUY LIMITED
ABN: 53 125 425 247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2010 (Continued)

	2010	2009
	\$	\$
2. REVENUE FROM OPERATING ACTIVITIES		
Government Grants	424,080	728,000
Membership Fees	299,954	135,848
Sponsorship	25,611	29,000
Interest Received	21,649	30,784
Income from Sub Lease of Premises	43,859	33,905
Consultancy	105,054	-
Programme training income	29,359	9,541
	949,566	967,078
	949,566	967,078
3. EXPENDITURE		
Governance	4,342	13,091
Communication & Printing	6,718	5,366
Program Expenditure	96,811	151,588
Staff Costs & Contractors	479,998	481,507
Directors' Fees	10,000	10,000
Occupancy	83,889	77,642
General Administration	73,940	56,998
Unexpended Grants	40,000	149,080
Depreciation	9,956	9,683
Amortisation	4,863	4,862
Increase in Leave Provisions	2,332	1,860
Audit Fees	5,500	4,500
Other Services from Auditors	-	-
Loss on Sale of Fixed Assets	1,001	-
	819,350	966,177
	819,350	966,177
The Auditors do not receive any other benefit		
4. CASH AND CASH EQUIVALENTS		
Cash at Bank – Operating Accounts	348,235	707,131
Cash at Bank – Term Deposit	336,555	29,014
Cash on Hand	111	96
	684,901	736,241
	684,901	736,241
5. RECEIVABLES		
Grants and Sponsorships	68,200	39,600
Memberships	218,916	87,811
	287,116	127,411
	287,116	127,411

ECO-BUY LIMITED
ABN: 53 125 425 247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2010 (Continued)

	2010	2009
	\$	\$
6. NON CURRENT ASSETS		
Computer Equipment at Cost	23,710	22,925
Less: Accumulated Depreciation	17,335	11,123
	6,375	11,802
Office Equipment at Cost	7,149	5,913
Less: Accumulated Depreciation	5,265	2,939
	1,884	2,974
Office Furniture at Cost	3,734	3,734
Less: Accumulated Depreciation	856	483
	2,878	3,251
Office Fit Out at Cost	29,175	29,175
Less: Accumulated Amortisation	10,551	5,688
	18,624	23,487
TOTAL NON CURRENT ASSETS	29,761	41,514
7. PAYABLES - CURRENT		
Trade Creditors	1,478	43,338
PAYG Payable	12,340	11,980
GST Payable	27,229	16,635
Superannuation Payable	16,431	14,106
FBT Payable	1,395	1,395
	58,873	87,454
8. PROVISIONS - CURRENT		
Annual Leave Provision	14,956	14,115

ECO-BUY LIMITED
ABN: 53 125 425 247

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2010 (Continued)

	2010	2009
	\$	\$
9. PROVISIONS - NON CURRENT		
Long Service Leave	2,416	925
	2,416	925
	2,416	925
10. CONTINGENT LIABILITY		
On windup, the company's assets are to be distributed to a similar purpose organisation which is also a not for profit.		
11. RECONCILIATION OF CASH FLOW INFORMATION WITH TOTAL REVENUE & EXPENDITURE RECOGNISED IN EQUITY		
Operating Surplus (Deficit)	130,216	901
Depreciation Amortisation	14,818	14,545
Loss on Sale Fixed Assets	1,001	-
(Increase)/Decrease in Receivables	(159,705)	76,619
(Increase)/Decrease in Prepayments	3,606	1,351
Increase/ (Decrease) in Payables	(28,581)	37,023
Increase/ (Decrease) in Provisions	2,332	1,860
Increase/ (Decrease) in Unexpended Grants	(109,080)	(70,920)
Increase/ (Decrease) in Prepaid Membership Income	98,119	(20,155)
	(47,274)	41,224
CASHFLOWS FROM OPERATIONS	(47,274)	41,224

12. COMPANY DETAILS

The registered office of the company is:

Suite 301
60 Leicester Street
CARLTON VIC 3053