



VICTORIAN TRANSPORT ASSOCIATION
SUSTAINABILITY
COVENANT

“An agreement between the Environment Protection Authority Victoria and the Victorian Transport Association under section 49AA of the *Environment Protection Act 1970*.”



victoriantransportassociation^{inc.}





SUSTAINABILITY COVENANT

This voluntary SUSTAINABILITY covenant is a statutory agreement under section 49AA of the *Environment Protection Act 1970* (Victoria) made on the 20th day of July 2009,

Between:

ENVIRONMENT PROTECTION AUTHORITY OF VICTORIA, ABN 85 899 617 894,
a body corporate incorporated pursuant to the *Environment Protection Act 1970*,
of 40 City Road, Southbank, Victoria 3006 (EPA);

-and-

VICTORIAN TRANSPORT ASSOCIATION, ABN 95 922 065 177, an Incorporated Association
under the *Associations Incorporation Act 1981* (Victoria), of 50 Wirraway Drive,
Fishermans Bend, Victoria, 3207.

In which:

The parties commit to working together to support Victorian Transport Association member companies and other freight related businesses to move further towards sustainability.

In entering into this sustainability covenant, it is agreed as follows:

Projects will be developed and implemented by the parties that will -

- Increase the efficiency with which VTA and its members companies and other freight related businesses use resources to produce products and deliver services.
- Reduce the ecological impact of those products and services, particularly in the areas of air pollutant emissions and greenhouse gases, as well as support waste avoidance and resource efficiency.
- Integrate sustainability principles and concepts into the industry's core business practices.

EPA believes that this sustainability covenant is likely to be effective in increasing the resource use efficiency and reducing the ecological impact of the VTA businesses and industries and accordingly is a signatory to this sustainability covenant.

Objectives of the Covenant

The parties will achieve these overall objectives by working together with VTA member companies and other freight related businesses to:

- Recognise industry leadership and excellence in achieving sustainable outcomes.
- Enhance the development and application of sustainability measurement tools in the freight and logistics industry.
- Build capacity among VTA members and other freight related businesses to integrate sustainability principles and continuous improvement processes into core business practices.
- Encourage innovation and information sharing in the industry on best practice to achieve sustainability outcomes.
- Identify new services or initiatives that the parties can develop to reduce the freight sector's overall contributions to air pollutant emissions and greenhouse gases.
- Identify opportunities and appropriate mechanisms to encourage waste avoidance, waste reduction and improve overall resource efficiency.

Parties to the Covenant

Victorian Transport Association



The VTA is an incorporated Association with over 100 years of continuous service to its members. It is dedicated to partnering members in all sectors of the transport and logistics industry, the Victorian Transport Association has over 750 members.

With over 100 years experience and a dedicated business focus, it possesses the market knowledge and industry contacts that enable members to capitalise on the current commercial and regulatory environment.

Recognised as Australia's pre-eminent multimodal prime contractor and employer organisation in transport and logistics, the association works with all levels of government, the unions and the industry to achieve mutually beneficial outcomes.

The Victorian Transport Association commitment is to enhancing the image of the industry while helping build the businesses of our member companies.

EPA Victoria



EPA Victoria is a statutory body that was established under an Act of the Victorian Parliament in 1970 in response to community concern about pollution. EPA's vision is the Victorian community living sustainably.

A community living sustainably knows the impacts of the decisions it makes and the actions it takes on the environment and:

- efficiently uses and renews resources
- understands how what is good for the environment is good for the economy and society
- lives in a healthy environment that provides clean air, water and land
- meets the needs of today without compromising the ability of future generations to meet their needs.

EPA's purpose is to protect, care for and improve our environment. EPA's values are collaboration, innovation, integrity and respect.

EPA's objectives are to tackle climate change, increase resource efficiency, reduce emissions impact, enhance our reputation and benefit the economy.

Commitments of the Covenant

The first set of commitments is to develop and pilot a Freight Sustainability Partnership program in Victoria, modelled on the US EPA SmartWay program. EPA and VTA will implement the second set of commitments concurrently, to realise the overall objectives of the covenant.

General Commitments	Specific Commitments
Freight Sustainability Partnership Program	<ul style="list-style-type: none">• VTA and EPA to work together with key freight companies to develop and pilot a Victorian based voluntary program to reduce greenhouse gas and air pollutant emissions from the freight sector.• EPA to provide funding support to initiate the program and work with VTA and other government agencies to provide complementary funding for specific tools and resources within the SmartWay program.• EPA to work with the finance sector to identify opportunities for innovative financing to facilitate uptake of new technologies or processes to reduce fuel consumption and air pollutant and greenhouse gas emissions.

EPA and VTA will begin implementing the second set of commitments in the first year of the covenant with further specific actions adopted and implemented over the life of the covenant.

General Commitments	Specific Commitments
Working together to support leadership on environmental issues within the freight sector and being an environment champion within the sector.	<ul style="list-style-type: none"> • VTA to establish an environment group within VTA to support its environment activities and be responsible for the drafting and review of a VTA Environment White Paper. • EPA to provide advice to VTA on establishing a VTA environment group. • VTA to prepare a Clean & Green Vision paper on strategic environmental issues in the freight domain. EPA to provide advice and funding support to VTA for their paper. • VTA to work with EPA on emission reducing policy implementation, e.g. speed limiting heavy vehicles, improved aerodynamic standards.
Working together to build awareness and understanding of environmental issues within the freight sector.	<ul style="list-style-type: none"> • EPA to work with VTA on developing a program for the FreightWeek Environment Day in September 2009, including advice on topics and speakers, e.g. climate change, emissions reductions • VTA to survey members on awareness and involvement in resource efficiency and climate change initiatives and business needs. • VTA and EPA to identify links between greenhouse and air pollutant emissions reductions, amenity issues and key freight issues.
Working together to support a low carbon future for the transport and logistics sector.	<ul style="list-style-type: none"> • VTA and EPA to promote EPA Carbon Management services with VTA members such as Carbon Offset Guide, Carbon Innovators Network and Carbon Management Principles. • VTA and EPA to explore opportunities to encourage low carbon and carbon neutral freight. • VTA and EPA to work with VTA members on initiatives to reduce their Carbon Footprint.
Working together to promote resource efficiency.	<ul style="list-style-type: none"> • EPA and VTA to explore development and use of case studies, e.g. demonstrating superior distribution methods such as hubbing, central distribution centres in urban areas, improved truck utilisation, adoption of more efficient and fit-for-purpose freight vehicles and “last kilometre” projects, designed to open up capacity on transport networks in less-congested times of day.
Working together to promote the achievements of the covenant and the environmental benefits to the Victorian community.	<ul style="list-style-type: none"> • VTA and EPA to develop promotional material highlighting the covenant and its specific achievements. • EPA to produce case study promotional material with VTA member companies on project outcomes. • VTA and EPA to identify forums to promote the successes of the covenant.

Management of the Covenant

EPA and VTA agree to the following management framework for decision-making and management of the covenant and supporting projects. The covenant Steering Group will comprise at a minimum the VTA CEO, VTA covenant Project Manager, EPA Business Development Director, EPA covenant Relationship Manager and EPA Service Growth Manager. The Steering Group is responsible for:

- Endorsing and directing implementation of the covenant, reviewing progress and reporting to both the VTA Board and the EPA Chairman.
- Endorsing project ideas for further development.
- Approving project plans, performance indicators and associated budget, ensuring appropriate resourcing.
- Reviewing progress of the projects.
- Interfacing with their respective organisations.

Funding for VTA or member companies through this Agreement will remain with EPA until the Steering Group has approved the project and agreed that appropriate milestones, stages and associated performance indicators have been met. In the case of a multi-staged project, funds will be agreed as appropriate for each stage.

The parties agree to the following mechanisms for public involvement during the operation of the covenant:

- Regular reporting and review of the progress of the covenant to the VTA.
- Regular website updates on the implementation of programs under the covenant.
- Covenant details and progress reports will be made available to the public on the EPA website.

EPA is accountable and responsible for the commitments made by EPA in this agreement. VTA is accountable and responsible for the commitments made by VTA in this agreement.

Measuring Success

EPA and VTA recognise that covenant success is improving resource efficiency within the freight sector, in particular, reducing overall greenhouse gas and air pollutant emissions. EPA and VTA will develop performance indicators for the covenant to both monitor and communicate covenant successes in achieving environmental objectives.

Review and Reporting

The Steering Group will meet regularly to review progress on implementing the commitments and to assess project proposals. At the end of the first and second years of the term of this covenant, the steering group will assess progress against the commitments and outcomes over the preceding year. This review will also identify areas of focus for the following year. The outcomes of the review will be reported to the EPA Chairman and the VTA Board.

At the end of the term of the covenant, the steering group will undertake a full review of the outcomes of the covenant, involving the VTA, representative VTA members, and other stakeholders. This review will address the extent to which the covenant has been successful, has met the expectations of all stakeholders and whether there is a need for a further covenant. EPA and VTA will make this review available to the public through the EPA website.

Timing of the Covenant

The term of this covenant is three years, from the date of signing the agreement.

More Information

In accordance with section 49AC(1)(c) of the Act, the parties authorise the copying of all or any part of the covenant by any person who wishes to do so. The parties also authorise the use by such a person of any copies made by the person. The parties will also publish a copy of the covenant on their websites.



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