

Environmental Sustainability Strategy

2021-25



VicTrack

Our commitment

As custodians of Victoria's rail transport land, we are committed to protecting biodiversity values, carefully managing rail land and meeting, wherever possible exceeding, legislative obligations.

We seek sustainable practices that can unlock environmental and community benefits.

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Foreword

Campbell A. Rose AM
Chief Executive

VicTrack is the custodian of Victoria's rail transport land, assets and infrastructure. We work to protect and grow the value of the portfolio including the natural environment, to support a thriving transport system, and make travel and living better for all Victorians.

From being a responsible custodian of biodiversity values on our land, to carefully managing contaminated land within rail corridors, VicTrack has always been committed to meeting compliance obligations and protecting the environment from harm.

The 2021–25 Environmental Sustainability Strategy continues this long-standing commitment to protect and conserve our natural assets and responsibly manage environmental risks and obligations. It also acknowledges the role that environmentally beneficial initiatives can play in supporting our core functions.

This strategy focuses on:

- investigating revenue generating and cost-saving opportunities through innovative management of our land and assets
- supporting the Victorian Government's ambition to achieve net-zero greenhouse gas emissions by 2050 and proactively positioning VicTrack to benefit from this transition; and
- understanding our vulnerability to risks from a changing climate—which are acknowledged in the Transport Integration Act 2010—and adapting effectively to mitigate these risks.

VicTrack's Environmental Management System (EMS) remains an important mechanism for delivering on our environmental obligations and ambitions.

Environmental sustainability is a shared responsibility for everyone at VicTrack. Under legislation and the VicTrack Environmental Policy, every person at VicTrack considers environmental management in the conduct of their duties and supporting the objectives of this strategy.

This strategy reaffirms our commitment to continually improve our environmental practices. We will support all business units to embed sustainability into the way they work.

Our approach

Introducing VicTrack's approach to sustainability

VicTrack is the custodian of Victoria's rail transport-related land, infrastructure and assets. We work to protect and grow the value of this portfolio, support a thriving transport system and deliver for the Victorian community. Sustainable environmental management is a core component of our vision, as documented in the VicTrack Corporate Plan.

Our approach to environmental sustainability is summarised by the four strategic objectives in the figure below. These objectives reflect VicTrack's commitment to protecting the environment and meeting legislative obligations, while also broadening the focus to consider the positive opportunities that more sustainable practices can unlock.

This document describes our objectives and focus areas in more detail. The VicTrack Environmental Sustainability Action Plan 2021–25 (VT-FW 002) details strategic actions, accountabilities and timeframes to support the achievement of these priorities. This strategy is also supported by the VicTrack Environmental Policy (VT-PO 167) and Environmental Management System.

| Strategic objectives | 1. Protect, conserve & enhance our natural assets | 2. Manage environmental risks & obligations | 3. Embed sustainability in the way we work | 4. Future proof VicTrack |
|----------------------|--|---|--|--|
| Focus areas | 1.1 Biodiversity 1.2 Heritage 1.3 Circular economy | 2.1 Prevent pollution 2.2 Manage contaminated land | 3.1 Provide resources 3.2 Increase visibility 3.3 Communities 3.4 Systems | 4.1 Revenue generation opportunities 4.2 Net-zero emissions 4.3 Climate resilience |
| | ↓ | ↓ | ↓ | ↓ |
| | Sustainability targets | | | |
| | + | + | + | + |
| | Environmental sustainability action plan | | | |

Aligning with global efforts on sustainability

The United Nations Sustainable Development Goals (SDGs) comprise 17 goals aimed at addressing the world's most significant development challenges. They reflect a global shift towards a more holistic view of sustainability that incorporates environmental, social and economic considerations.

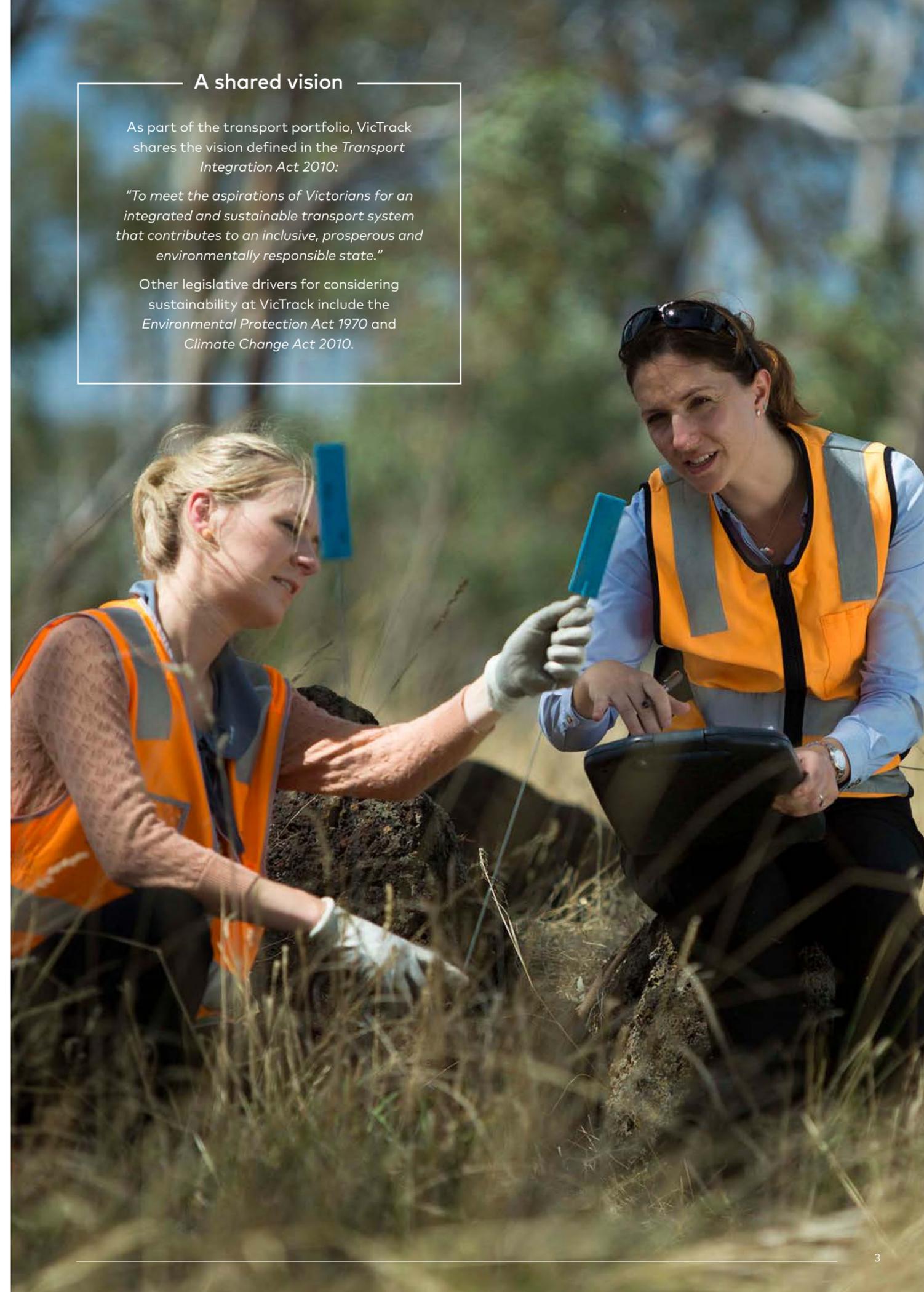
As shown below, the VicTrack Environmental Sustainability Strategy 2021-25 contributes to the achievement of several SDGs. Where relevant, SDGs are highlighted throughout the document.

A shared vision

As part of the transport portfolio, VicTrack shares the vision defined in the *Transport Integration Act 2010*:

"To meet the aspirations of Victorians for an integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state."

Other legislative drivers for considering sustainability at VicTrack include the *Environmental Protection Act 1970* and *Climate Change Act 2010*.





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As shown below, the VicTrack Environmental Sustainability Strategy 2021-2025 contributes to the achievement of several SDGs. Where relevant, SDGs are highlighted throughout the remainder of this document.

Our sustainable development goal alignment

6, 15
Our environmental management practices help to keep Victoria's land and waterways healthy

7
VicTrack invests in solar and wind power by purchasing green power.

9
VicTrack contributes to resilient infrastructure and fosters innovation on all Victorian transport infrastructure projects

10, 11, 13
Efficient public transport contributes to a more liveable and prosperous Victoria with fewer greenhouse gas emissions

12
We strive to consume resources sustainably throughout our supply chains





Protect, conserve and enhance our natural and heritage assets

In line with state and Commonwealth legislation, VicTrack plays an important role in managing natural and heritage values on our land. We also strive to manage waste and consume resources in a sustainable manner.

To support this strategic objective, we have identified the following three focus areas.



1.1 Biodiversity

VicTrack's land includes some of Victoria's most threatened ecosystems, which are home to flora and fauna species of state and Commonwealth significance. We will conduct our operations to ensure we meet and, where possible, exceed our compliance obligations and do our part to protect Victoria's unique biodiversity, so it can thrive and be enjoyed into the future.

1.2 Heritage

VicTrack's portfolio of assets includes many of local and state heritage significance, including operational and disused stations and tram depots. We contribute funding to the restoration of state heritage listed buildings and structures and have ongoing engagement with Heritage Victoria. We also run the Community Use of Vacant Rail Buildings program, which enables community use of old rail assets while preserving heritage values.

VicTrack holds land with Aboriginal cultural heritage significance. Under the Aboriginal Heritage Act 2006, we have specific obligations regarding how we engage with Indigenous communities and conduct ground-disturbing works. We will continue to comply with these obligations and engage with Aboriginal communities through our projects and operations.

1.3 Circular economy

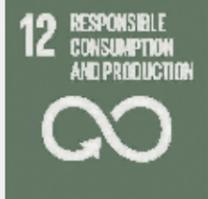
To conserve finite natural resources, VicTrack will strive to take a circular economy approach to resource use and waste management. A circular economy approach involves managing resources in a closed loop that places greater emphasis on recycling products at the end of their useful lives, repurposing materials, and ideally eliminating waste altogether.

In recent years we have significantly reduced our paper use, reaching 2.9 reams per FTE in FY19-20. VicTrack will continue to evolve towards closed-loop practices over the 2021-25 period and beyond by setting clear targets and refining our procurement practices.



Responsibly manage environmental risks and obligations

VicTrack's Environmental Policy and EMS provides the framework for environmental management across VicTrack, particularly with respect to compliance risks and obligations. We strive for continuous improvement in our environmental management practices and always aim for zero environmental non-conformances.



2.1 Prevent pollution

Environmental discharges from activities conducted on VicTrack land may cause adverse impacts on the land and environment. This could include air or water pollution, or land contamination. We commit to implementing environmental management practices that protect our land and the surrounding environment.

2.2 Manage contaminated land

Managing contamination is a crucial environmental consideration for VicTrack. There are significant financial, reputational and legal compliance risks associated with the management of legacy contamination on our land. We regularly complete investigations to understand the contamination risk present and implement a risk-based approach to prioritise areas for assessment and remediation. We commit to continuing this proactive, risk-based approach to protect Victoria's ecosystems and the community, and to improve the value of VicTrack's land.



Embed sustainability in how we work

To consistently achieve positive sustainability outcomes, we commit to further integrating environmental sustainability into how we do business. This includes building a strong sustainability culture, engaging with the community, and implementing processes and systems that facilitate sustainable outcomes.



3.1 Provide resources

Throughout the 2021–25 period we will provide our staff with resources to assist them in delivering positive sustainability outcomes. This may include tools such as sustainable design guidelines, an approved materials register, updated standards, and online training resources. Building this knowledge base around sustainability will contribute to our growing sustainability culture—one where our staff feel empowered to advocate for the most environmentally sustainable outcomes and understand the most cost-effective ways to achieve them.

3.2 Increase visibility

To demonstrate our commitment to operating sustainably, we will raise awareness of our sustainability approach among our own people. This will include more regular internal communications about our strategic objectives and progress against our targets, along with practical examples of how staff can contribute to Victoria's low-carbon transition, both in their roles at VicTrack and at home.

We will seek opportunities to better share VicTrack's approach and sustainability successes with the public. This could include more online collateral about projects and broadening annual reporting to include more non-office-based metrics.



3.3 Communities

VicTrack has some strong and long-standing partnerships around sustainability. This includes our partnership with Landcare Australia—dating back to 2005—to provide funding to protect and enhance areas of native vegetation on railway and other land. In FY19–20 this included the Great Victorian Rail Trail (Upper Goulburn Landcare Network), the Green Line (Basalt to Bay Landcare Network) and Bellarine Rail Trail Revegetation and Restoration (Bellarine Landcare Group).

We will continue to engage with the communities who interact with our assets, deepen existing partnerships and continue to build new ones.

3.4 Systems

Integrating sustainability into our systems enables better environmental outcomes to be delivered as part of business-as-usual. While VicTrack has a long-standing EMS, its profile is relatively low across some VicTrack business groups, and therefore a key focus for this strategy will be improving the prominence and usefulness of key EMS elements, such as the VicTrack Aspects and Impacts Register, and standard operating procedures.

Ensuring good governance around sustainability is also important. Given the growing significance of issues such as climate change, we will ensure that environmental sustainability is meaningfully incorporated into the VicTrack Corporate Plan.



Future-proof VicTrack

In addition to long-standing risks such as land contamination, VicTrack faces several emerging environmental risks over the life of this strategy and beyond. Most notably, projected changes to Victoria's climate will put some assets at heightened risk of being damaged, stranded or rendered inaccessible. Elements of our telecommunications network may be particularly vulnerable due to having components that are highly exposed to extreme temperatures and other severe weather events. On our land, aspects of environmental significance may come under strain, such as threatened ecological vegetation classes, as well as flora and fauna species.

The Victorian Government's commitment to achieving net-zero greenhouse gas emissions by 2050 will require significant changes to our transport system. In 2019, railways comprised only 1.5 per cent of the state's transport-related emissions, but there has been an upward trend in emissions driven largely by Victoria's growing population increasing its use of the network.

A key element of Victoria's net-zero emissions transition will be encouraging greater use of public and active transport modes, meaning the rail sector may need to decarbonise while accommodating higher commuter numbers. As the custodian of Victoria's rail infrastructure, VicTrack will have a supporting role to play in transitioning to a net-zero emissions target.

This strategic objective is about future-proofing VicTrack against these and other emerging challenges. It is not only about risk management, but also about proactively positioning VicTrack to maximise the cost-saving and revenue-generating opportunities that come with the low-carbon transition (e.g. energy efficiency, renewable energy, carbon offsetting).

4.1 Revenue-generating opportunities

Environmental sustainability initiatives can support VicTrack's financial sustainability. Under this focus area, we will take a more proactive approach to identifying, evaluating and positioning for cost-saving and revenue-generating opportunities associated with environmentally sustainable practices. This may include greater uptake of energy efficiency measures at key facilities such as data centres and depots, greater renewable energy generation, and deploying underutilised VicTrack land for financially productive activities such as carbon offsets.

While some of these initiatives may require additional upfront capital expenditure, this whole-of-life approach is supported by the Department of Treasury and Finance's Asset Management Accountability Framework (AMAF).

In the short term, this focus area will target actions with relatively short payback periods. However, value proposition of sustainability initiatives is likely to increase significantly over the life of this strategy and beyond. For example, rapid advances in battery storage and efficiency of solar photovoltaic (PV) cells are expected to improve the payback period for renewable energy generation, and the price of carbon offsets is likely to increase as Victoria moves towards its net-zero emissions target.

4.2 Net-zero emissions

Under this focus area, we will partner closely with DoT to support Victoria's transition to net-zero greenhouse gas emissions by 2050. This includes setting clear emissions reduction targets for our own operations that align with Victoria's interim carbon budgets, implementing least-cost emissions abatement measures, and exploring simple ways to positively influence the emissions profiles of our tenants and franchisees.

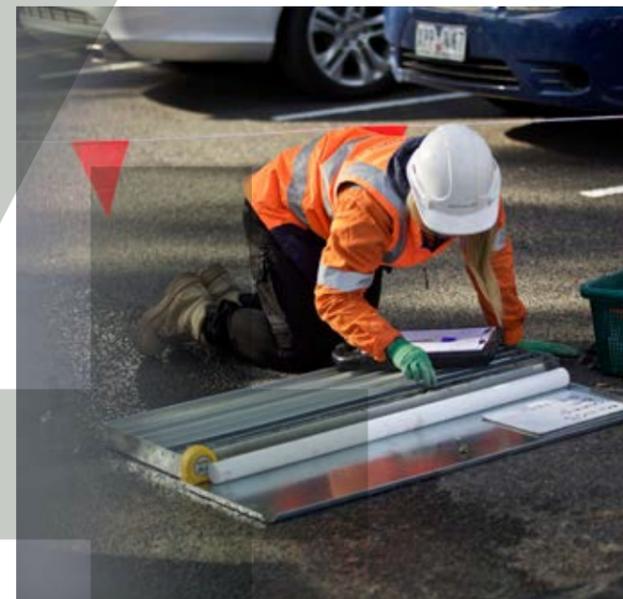
4.3 Climate resilience

Climate change modelling by the Department of Environment, Land, Water and Planning (DELWP) and Commonwealth Scientific and Industrial Research Organisation (CSIRO) indicates that in the future Victoria can expect:

- more days of extreme heat
- harsher fire weather
- less rainfall overall, but with precipitation occurring in more frequent and intense heavy downpours
- rising sea levels, storm surges and coastal erosion
- increased levels of solar radiation and atmospheric carbon.

Under this focus area, we will increase our efforts to understand VicTrack's exposure and vulnerability to climate change risks, and to implement cost-effective adaptation responses.

We also acknowledge the positive role that rail infrastructure plays in ensuring that Victorians are resilient to a wide range of acute shocks (e.g. pandemics, terrorist attacks) and chronic stresses (e.g. unemployment, chronic illness). We will seek to maximise these resilience benefits through our role as asset managers and through our partnerships with DoT and franchisees.



Implementing this strategy

This strategy is supported by the VicTrack Environmental Sustainability Action Plan 2021-25 (VT-FW 002). The plan describes specific initiatives VicTrack will pursue in support of our strategic objectives and relevant focus areas. It also documents how we will monitor our progress and communicate this to internal and external stakeholders.

For each action, the plan outlines:

- activities to be undertaken
- interim and end targets
- accountable parties
- resources required.

A new element of the Environmental Sustainability Action Plan is establishing longer-term (2030) sustainability targets. These overarching targets are intended to drive more ambitious actions, such as the future-proofing measures identified in Section 3.3.



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