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**Government  
of South Australia**

# **GREEN INDUSTRIES SA 2021-22 Annual Report**

**GREEN INDUSTRIES SA**

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To:

Hon Dr Susan Close MP

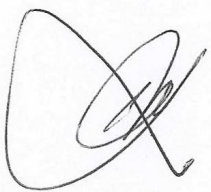
Deputy Premier

Minister for Climate, Environment and Water

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, *Public Finance and Audit Act 1987*, the *Green Industries SA Act 2004*, the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*, and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Green Industries SA by:



Kevin McGuinness

Presiding Member, Board of Green Industries SA



Ian Overton

Chief Executive, Green Industries SA

## From the Presiding Member and Chief Executive

In 2021-22, Green Industries SA (GISA) continued to build on its achievements in the transition of South Australia to a circular and green economy.

*South Australia's Waste Strategy 2020-2025* supports the state's transition to a circular economy and to make our state a national centre for reuse, remanufacturing, recycling and composting. Directions and targets are identified for single-use plastics, food waste, regulatory waste reforms, education and behaviour change and market development through infrastructure investment and other measures.

In 2021-22 GISA continued to lead and support the implementation of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*. The second tranche of prohibited plastic products came into effect on 1 March 2022 and include expanded polystyrene cups, bowls, plates and clamshell containers, and oxo-degradable plastic products. Education and business support activities under the *Replace the Waste* campaign were core elements of implementing the legislation and supporting businesses and the community to transition to alternative products. This work was supported by the continued implementation of the Plastic-Free SA Program with Boomerang Alliance.

In recognition of the community's support for action on single-use and other plastic products, GISA released the discussion paper *Turning the Tide – the future of plastics in South Australia* in December 2021. The paper sought views from the community and stakeholders on the potential addition of other products to the list of prohibited plastic products, and following analysis of the submissions, a consultation summary was made publicly available via the *Replace the Waste* website. GISA is undertaking further analysis and will be providing advice for government around the next steps in 2022-23.

GISA continued to build on the resilience and capabilities of the state's waste management and resource recovery sector in 2021-22 through implementation of grant funding to projects co-funded by the South Australian Government and Australian Government under the Recycling Modernisation Fund.

During 2021-22, GISA leveraged additional funding from the Australian Government towards South Australian organics processing infrastructure projects through the Food Waste for Healthy Soils Fund. The funding supports projects to address capacity limitations, increase the quality and value of output products, supports the circular economy and ensures South Australia's composting sector remains competitive, sustainable and innovative.

2021-22 was the fifth year of delivering GISA's Business Sustainability Program in its current format, which provides expertise as a basis for informed decision-making and implementation of sustainable change for business and industry. In 2021-22, BSP supported 31 organisations from 22 sectors with funding support to undertake improvement projects related to materials and resource efficiency waste management, net-zero emissions and implementation of circular economy principles. A further 89 organisations were provided with advice, guidance and in-kind support.

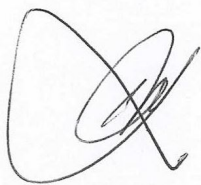
During 2021-22, GISA partnered with Business SA to establish the Accelerating Net-Zero Emissions for Business program, which assists businesses to take practical approaches to achieve 'net-zero' emissions pathways. Two cohorts of 20 businesses were put through the program in 2021-22 and it is being further developed and implemented in 2022-23.

GISA has been involved in developing circular economy initiatives with State Government agencies and other stakeholders related to the development of the broader green economy in South Australia. In 2021-22, GISA established a Green Economy Catalyst Program to bring global leaders to Adelaide, and engage with industry, government and the community, to support the state's transition to a circular and green economy.

Professor Göran Roos, a recognised world expert in industrial and innovation policy for advanced manufacturing and the green economy was the first catalyst, and visited Adelaide in May 2022 undertaking initial engagement activities with government, industry, business and universities.

Professor Roos will be returning in 2022-23 to lead a business development course on the green economy. GISA is working with State Government agencies to attract other catalysts to Adelaide to work with businesses, industry, government and academia on opportunities to develop SA's green economy sectors.

In 2022-23 we look forward to building upon our achievements and continuing to drive the implementation of the circular economy in South Australia.



Kevin McGuinness  
**Presiding Member**  
**Board of Green Industries SA**



Ian Overton  
**Chief Executive**  
**Green Industries SA**

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## Overview: about the agency

### Our strategic focus

<p><b>Our Purpose</b></p>	<p>GISA is a leader in the circular and green economy through innovation, collaboration and excellence:</p> <ul style="list-style-type: none"> <li>• Improving our environment and well-being</li> <li>• Creating prosperity and increasing economic growth</li> <li>• Valuing our resources and reducing pollution and waste</li> </ul>
<p><b>Our Vision</b></p>	<p>Creating a sustainable future through a green economy, focusing on the value of materials in a circular economy and providing economic, social and environmental benefits.</p>
<p><b>Our Values</b></p>	<ul style="list-style-type: none"> <li style="width: 50%;">• Service</li> <li style="width: 50%;">• Collaboration and Engagement</li> <li style="width: 50%;">• Professionalism</li> <li style="width: 50%;">• Honesty and Integrity</li> <li style="width: 50%;">• Trust</li> <li style="width: 50%;">• Courage and Tenacity</li> <li style="width: 50%;">• Respect</li> <li style="width: 50%;">• Sustainability</li> </ul>
<p><b>Our functions, objectives and deliverables</b></p>	<p>GISA’s guiding principles, objectives and functions are detailed in the <i>Green Industries SA Act 2004</i>.</p> <p>GISA’s strategic plan, five-year state waste strategy and annual business plan, are available publicly on the agency’s website.</p> <p>GISA’s four Focus Areas and nine Strategic Priorities are:</p> <p><b>Waste and Recycling:</b></p> <ol style="list-style-type: none"> <li>1. Zero food waste</li> <li>2. Kerbside reform</li> <li>3. Single-use Plastics</li> <li>4. Maintaining South Australia’s leadership in waste diversion</li> </ol> <p><b>Circular Economy:</b></p> <ol style="list-style-type: none"> <li>5. Circular economy transition</li> <li>6. Remanufacturing infrastructure</li> </ol> <p><b>Green Economy:</b></p> <ol style="list-style-type: none"> <li>7. Business sustainability</li> <li>8. Green economy for SA</li> </ol> <p><b>People, Systems and Performance:</b></p> <ol style="list-style-type: none"> <li>9. High performing employer of choice</li> </ol>

**Our organisational structure**

The Board of Green Industries SA is the agency’s governing body pursuant to section 9 of the *Green Industries SA Act 2004*. The Board has a strategic, policy and governing role and provides the decision-making capacity of the agency.

The Chief Executive, GISA, Professor Ian Overton is an *ex officio* member of the Board.

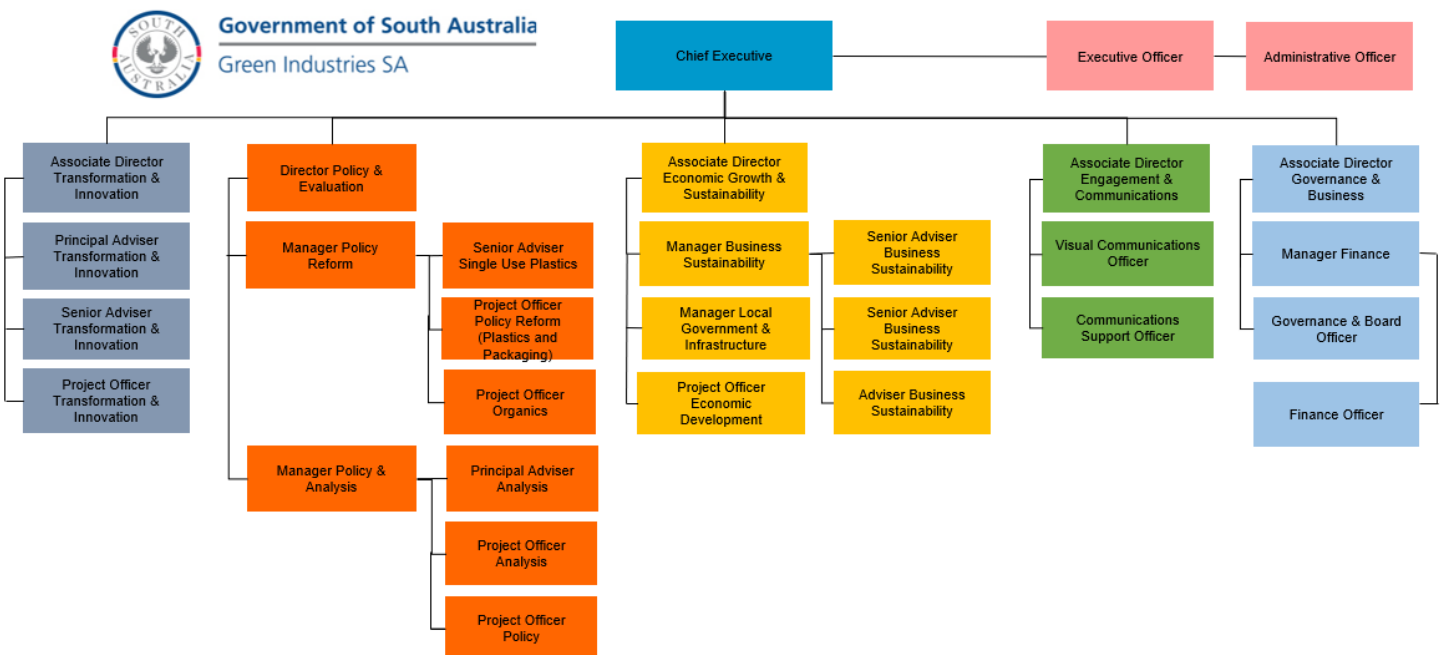
Board membership and terms of appointment at 30 June 2022 were:

- Mr Kevin McGuinness, Presiding Member (9/02/2020 - 5/02/2023)
- Dr Tracey Dodd, Member (9/08/2021 - 4/08/2024)
- Mr Adrian Skull, Member (9/08/2021 - 4/08/2024)
- Mr Paul Sandercock, Member (9/02/2020 - 5/02/2023)
- Mr Vincent Tremaine AM, Member (6/02/2020 - 5/02/2023)
- Prof. Jodie Conduit, Member (6/02/2020 - 5/02/2023)
- Prof. Ian Clifford Overton (ex officio)

GISA is subject to the direction of the Minister for Climate, Environment and Water, except in relation to making a recommendation or report to the Minister.

During 2020-21, the agency had 2 Executive-level classified positions including the Chief Executive.

The GISA Organisational Chart reflects the structure of the agency at 30 June 2022:





## **Changes to the agency**

During 2021-22 the following changes were made to the agency's structure and objectives as a result of internal review, which commenced in early 2021. The new organisation structure was implemented on 16 August 2021, to align the structure of the organisation with the agency's goals and priorities, including:

- An increase of 4.2 FTEs from 2020-21
- Four new manager positions with titles 'Associate Director' were created by the restructure. Three of these were filled by internal applicants and their previous roles were abolished
- An additional five positions were created during the restructure, partially offset by the retirement of an employee and flexible working arrangements.

There were no changes in 2021-22 to the agency's structure and objectives as a result of machinery of government changes.

## **Our Minister**

GISA is a portfolio agency of the Minister for Climate, Environment and Water, the Deputy Premier, the Hon Dr Susan Close MP.

The Hon David Speirs MP was the Minister for Environment and Water from 1 July 2021 to 19 March 2022.

## **Our Executive team**

GISA's Executive team at 30 June 2022 comprised of:

- Professor Ian Overton, Chief Executive
- Mr Ian Harvey, Director Policy and Evaluation
- Ms Veronica James, Associate Director Transformation and Innovation
- Ms Michaela Heinson, Associate Director Economic Growth and Sustainability
- Mr Josh Wheeler, Associate Director Governance and Business
- Mr Matthew Scales, Associate Director Engagement and Communications
- Ms Bernadette Gersbach, Executive Officer

## **Legislation administered by the agency**

*Green Industries SA Act (2004)*

*Single-use and Other Plastic Products (Waste Avoidance) Act (2020)*

## **Other related agencies (within the Minister's area/s of responsibility)**

GISA works closely with the Environment Protection Authority (EPA) and Department for Environment and Water (DEW) within the Climate, Environment and Water Portfolio.

In accordance with the *Green Industries SA Act 2004*, GISA makes use of information from the EPA in relation to waste management and resource recovery. GISA coordinates and liaises with the EPA in the development and implementation of waste strategies, as well as local and national policy in waste management, resource recovery and circular economy. GISA works closely with the EPA in the implementation and administration of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*.

GISA works with DEW on related areas of the green economy and climate change, including actions in SA's Climate Change Action Plan. GISA also has a service level agreement with DEW for a range of corporate services including information and communications technology, financial accounting and procurement, human resources, facilities management and governance, and the adoption of DEW policies where GISA does not have an agency-specific policy in place.

GISA works with other state government organisations in the course of its projects, programs, and business functions including; SA Water, the Department of Primary Industries and Regions SA (PIRSA), Infrastructure SA, the Office of the Industry Advocate, SA Health, SAFECOM, Department for Trade and Investment (DTI), Department for Industry, Innovation and Science (DIIS), Department for Energy and Mining (DEM), Department for Infrastructure and Transport (DIT), Department of Treasury and Finance (DTF), Department of the Premier and Cabinet (DPC) and Auditor-General's Department (AGD).

## The agency's performance

### Performance at a glance

- 83.5 per cent of all waste generated in the state diverted from landfill (2020-21 data) - the highest publicly reported diversion rate of any state or territory in Australia.
- landfill tonnages increased by 1.6 per cent due to materials disposed to landfill from the 2019-20 bushfires and a buoyant building and construction industry as a result of economic stimulus measures.
- \$3.264 million awarded in funding assistance (grants, incentives and subsidies), with \$1.46 million matched funding leveraged from the Australian Government under the Food Waste for Healthy Soils Fund.
- Implementation of the second tranche of prohibited plastic products on 1 March 2022 under the Single-use and Other Plastic Products (Waste Avoidance) Act 2020 and release of the Turning the Tide discussion paper.
- 738 tonnes of household chemicals and paint and 4.2 tonnes of light globes collected and disposed.
- The Board of Green Industries SA held 11 sessional meetings in 2021-22 with member attendance as follows:

Mr Kevin McGuinness, Presiding Member (11)  
Prof Ian Overton, *Ex Officio Board Member* (11)  
Dr Tracey Dodd, Board Member (11)  
Mr Adrian Skull, Board Member (9 - appointed in August 2021)  
Mr Paul Sandercock, Board Member (10)  
Mr Vincent Tremaine AM, Board Member (10)  
Prof. Jodie Conduit, Board Member (11)  
Ms Leila Henderson (1 - retired August 2021).

### Agency response to COVID-19

The COVID-19 pandemic did not have a material impact on the operations of GISA in 2021-22. Waste management services are identified as an essential service and continued to operate during restrictions.

GISA staff successfully continued remote working arrangements as necessary, and a return to work plan using a staggered and flexible approach to hybrid remote and office-based work was implemented.

No GISA staff were seconded for COVID-19 emergency response roles.

**Agency contribution to whole of Government objectives**

Key objective	Agency's contribution
More jobs	<p>GISA is committed to developing the circular economy in South Australia and its programs have criteria related to economic benefits such as job creation and development of local markets.</p> <p>In 2021-22 GISA's grant funding of \$942,833 from the 2021-22 Recycling Infrastructure Grants Program was allocated to 11 projects with a total capital investment of \$2.58 million and approximately 20 new full time equivalent jobs created.</p>
Lower costs	<p>Under the Business Program, GISA works with South Australian businesses and industry sectors on resource efficiencies in raw materials, waste, water and energy.</p> <p>In 2021-22, GISA provided 31 South Australian businesses from 22 industry sectors with funding support, and an additional 89 organisations received in-kind assistance to help improve materials or resource efficiency, waste management and/or circularity practices in the workplace.</p> <p>Annual economic and environmental benefits identified for 2021-22 Program participants (that received funding) totalled \$826,138 in potential annual savings, 2743 Mega-watt hours, 2192 tonnes of CO2-equivalent, 7 Mega-Litres of water, and 1075 tonnes of landfill diversion.</p>
Better Services	<p>GISA invested in Local Government collection infrastructure and systems that result in better services for South Australians. In 2021-22, GISA committed the following funding under these programs:</p> <ul style="list-style-type: none"> <li>• \$224,384 in Kerbside Performance (Food Waste) Incentives supporting implementation of food waste diversion systems to households</li> <li>• \$789,540 in Regional Transport Subsidies to support kerbside recycling services in 27 regional council areas</li> <li>• \$335,805 in Council Modernisation Grants to support eight projects undertaking research and development and trials of innovative and transformational services</li> </ul> <p>GISA provided a further \$73,551 under the first claim period (July to December 2021) of the Charitable Recyclers Subsidy Program to assist 10 South Australian charitable recycling organisations with their waste management costs.</p> <p>GISA funds the collection and disposal of household chemicals and paint, with 738 tonnes collected and disposed in 2021-22. A further 4.2 tonnes of light globes was collected and disposed via the GISA-funded BackLight Program in 2021-22.</p>

**Agency specific objectives and performance**

Agency objectives	Indicators	Performance
Promote waste management practices that, as far as possible, eliminate waste or its consignment to landfill	Prevention of waste and diversion of waste from landfill	<p>The most recent data available (2020-21) demonstrates that South Australia continues to divert more than 83.5 per cent of all waste generated from landfill - the highest publicly reported diversion rate of any state or territory in Australia.</p> <p>In 2020-21 waste to landfill in South Australia rose slightly by 1.6 per cent from 2019-20 due to a number of factors (including disposal of materials from the 2019-20 bushfires and building and construction industry activity) however recovery of materials rose by 3 per cent.</p>
Promote innovation and business activity in the waste management, resource recovery and green industry sectors, recognising these areas present a valuable opportunity to contribute to the State's economic growth	Investment in waste management, resource recovery and green industry sectors, including in the circular economy	GISA awarded \$3.264 million in funding assistance in 2021-22.

**Corporate performance summary**

GISA met its approved 2021-22 budget and achieved its allocated savings target (\$1.089 million) through reductions in program expenditure.

GISA staff continue to work productively with flexible working arrangements during COVID-19, adhering to social distancing and restrictions in 2021-22, with all GISA staff able to successfully work remotely as necessary.

In 2021-22 GISA had a staff retention rate of 85 per cent.

**Employment opportunity programs**

GISA is able to participate in Public Sector-wide equal opportunity programs such as the SA Public Sector Aboriginal Recruitment and Development Strategy and Aboriginal Employment Register, Strategy for Employment of People with Disabilities, and redeployee programs.

Other inclusion activities for GISA in 2021-22 included;

- The Single-use Plastic Stakeholder Taskforce, chaired by GISA, comprises representatives of people living with disabilities. These representatives (from a social profit, and peer-led organisations) have contributed perspectives of people living with disabilities on topics concerning the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*, and subordinate regulations.
- In 2021-22, GISA’s Disability, Diversity and Inclusion Committee continued to drive the organisation’s work in these areas, with an initial focus on developing a Reconciliation Action Plan and achieving re-accreditation with White Ribbon Australia.

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Performance Review and Development Planning	In 2021-22, 100 per cent of GISA staff completed at least one Performance Review and Development Planning session.
Leadership and management development	GISA invested \$35,165.23 in staff training and development in 2021-22. Of this, \$19,393.90 was in relation to leadership and management development.

**Work health, safety and return to work programs**

Program name	Performance
Work Health and Safety Management System	<p>GISA’s Work Health and Safety (WHS) Management System brings together the agency’s WHS policies, procedures and forms, providing staff with access to information and guidance on their roles and responsibilities for preventing and managing workplace injuries and illness.</p> <p>The WHS Management System is compliant with the <i>Work Health and Safety Act 2012</i> and <i>Work Health and Safety Regulations 2012</i>.</p> <p>Key activities in 2021-22 under the System included:</p> <ul style="list-style-type: none"> <li>• review of WHS Management System</li> <li>• annual review of remote working arrangements</li> <li>• annual review of ergonomic workstation in the office</li> <li>• workplace inspection</li> <li>• workplace flu vaccinations</li> <li>• fire safety equipment maintenance</li> <li>• electrical testing and tagging</li> <li>• mental health awareness training</li> <li>• capacity limitations in the GISA office to ensure compliance with COVID-19 directions and restrictions.</li> </ul> <p>In 2021-22, all GISA staff signed that they had read and understood the WHS Management System.</p>

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

<b>Work health and safety regulations</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0

<b>Return to work costs**</b>	<b>Current year 2021-22</b>	<b>Past year 2020-21</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	\$60,509.96	\$13,735	+340%
Income support payments – gross (\$)	0	0	0

\*\*before third party recovery

Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
SAES-1	2

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.



## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information provided is unaudited, however the full audited financial statements for 2021-2022 are attached to this report in **Appendix A**.

GISA is funded from the solid waste levy via the Green Industry Fund as per section 17(3)(a) of the *Green Industries SA Act 2004*.

In 2021-22, the Green Industry Fund received \$53.49 million in revenue, of which \$49.47 million was received in solid waste levy transfers from the EPA, and \$3.836 million was received from the Australian Government via the Department of Treasury and Finance (DTF) for the National Partnership on Recycling Infrastructure Program.

The agency's total expenditure in 2021-22 was \$69.602 million, including \$49.811 million in intra-government transfers for climate change initiatives (see other financial information below).

The balance of the Green Industry Fund at 30 June 2022 was \$68.194 million.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Total Income	59,886	53,490	6,396	58,313
Total Expenses	80,678	69,602	11,076	84,391
<b>Net Result</b>	<b>(20,792)</b>	<b>(16,112)</b>	<b>4,680</b>	<b>(26,078)</b>
<b>Total Comprehensive Result</b>	<b>(20,792)</b>	<b>(16,112)</b>	<b>4,680</b>	<b>(26,078)</b>

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	2020-21 Actual \$000s
Current assets	70,070	69,410	(660)	90,845
Non-current assets	3,320	2,349	(971)	3,374
<b>Total assets</b>	<b>73,390</b>	<b>71,759</b>	<b>(1,631)</b>	<b>94,219</b>
Current liabilities	7,679	1,717	5,962	7,662
Non-current liabilities	1,250	901	349	1,304
<b>Total liabilities</b>	<b>8,929</b>	<b>2,618</b>	<b>6,311</b>	<b>8,966</b>
<b>Net assets</b>	<b>64,461</b>	<b>69,141</b>	<b>(7,942)</b>	<b>85,253</b>
<b>Equity</b>	<b>64,461</b>	<b>69,141</b>	<b>(7,942)</b>	<b>85,253</b>

### Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the 2021-22 financial year.

Five consultants were engaged by GISA in 2021-22 for five projects listed below. The total value of the payments made to the consultant for these projects in 2021-22 was \$145,695 (GST exclusive).

#### Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment (ex. GST)
Life Cycle Strategies Pty. Ltd.	Circular Economy Roadmap - Material Flow Analysis and Metrics	51,570
Rawtec Pty Ltd	Disaster Waste Management Capability Plan Update	37,760
Acil Allen Pty Limited	Regulatory impact statement	23,965
Shifting Paradigms	A proposal to review the draft circular economy roadmap	17,400
Mark Wadewitz	Chief Adviser Net Zero	15,000
	Total	<b>\$145,695</b>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

### Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

22 contractors were engaged by Green Industries SA in 2021-22, for 30 projects totalling \$1.471 million.

**Contractors with a contract value below \$10,000**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each – combined	Various	32,606.81

**Contractors with a contract value above \$10,000 each**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
Cleanaway Operations Pty Ltd	Monthly collection of hazardous materials at the household chemical and paint drop-off facilities	449,783.41
Beatwave Pty Ltd	Single-use Plastic Products Ban - Education Campaign	163,772.19
Boomerang Alliance Inc	Plastic free precinct pilot program	128,240.00
BDO Advisory (Sa) Pty Ltd	Benefits of a Circular Economy to Regional South Australia	94,545.45
Cassy Petho	Single Use Plastics and related activities Project Officer	73,823.40
Biz Hub Australia Pty Ltd	GRID software system Phase 1 – GISA data management system	65,040.00
The Planning Exchange	Turing the tide project	61,590.00
Blue Environment Pty Ltd	Circular Economy Resource Recovery Reports 2020-21 to 2022-23	57,575.00
Cleanaway Operations Pty Ltd	Blacklight Program - globe collection and recycling program	46,358.00

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
Where North Meets South	Circular Economy Roadmap Support	34,967.50
Gabrielle Kelly And Associates	Chief Adviser Climate Action and Green Economy Catalyst Program lead	33,915.00
Think Films	Commercialisation of Innovation Promotional Circular Economy in Action Videos	28,050.00
Rawtec Pty Ltd	BAE Systems Maritime Australia - Osborne Shipyard	23,830.90
Collab4good Ltd	Circular Social Enterprise Incubator	23,000.00
Communicare Inc	Workplace reaccreditation agreement with White ribbon	22,590.00
Paddl Co Pty Ltd	National Innovation Games	20,000.00
Rawtec Pty Ltd	Kerbside Reform Future Directions Report	20,000.00
Concepts Of Change Pty Ltd	Litter Sites Selection based on AusLM methodology	19,290.00
Core Pty Ltd	Sustainable / Circular Film Production Guide	15,800.00
Rawtec Pty Ltd	Commercial & Industrial Waste Landfill Audits	15,523.50
Rawtec Pty Ltd	South Australia Power Networks Circular Economy Profile Assessment	14,990.00

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment (ex. GST)</b>
Australasian Circular Textile Association Ltd	Opportunities for a circular textile economy proposal	13,373.00
Enpro Envirotech Pty Ltd	Rapid Thermophilic Composting System Trial for food waste at Robe District Council	12,277.91
	<b>Total</b>	<b>1,438,335.26</b>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

### **Other financial information**

In 2021-22, \$49.811 million from the Green Industry Fund was transferred to other state government agencies for climate change initiatives, as approved by the former Minister for Environment and Water and Minister for Climate, Environment and Water pursuant to section 17(5)(b)(i) of the *Green Industries SA Act 2004*, independent of the GISA Board.

The funding was allocated towards:

- Home Storage Subsidy Scheme – DEM (\$14.2 million)
- Grid Scale Storage Fund – DEM (\$5.15 million)
- Low Carbon Economy Unit – DEM (\$1.409 million)
- Securing the future of our metropolitan coastline – DEW (\$21.08 million)
- Securing the future of our regional coastline – DEW, Coast Protection Board (\$1.00 million)
- Core Climate Change Programs – DEW (\$4.972 million)
- Heritage agreement grants – DEW (\$2.00 million)

Further information on these initiatives can be sought from the respective agencies.

## Risk management

### Risk and audit at a glance

The GISA Board has established the Governance Committee under section 12 of the GISA Act to provide advice to the agency and Board regarding the management of corporate governance issues and risks.

The agency has robust corporate governance practices, including in relation to risk management, fraud and corruption control, financial management and legislative compliance.

The GISA Risk Management Plan Framework (the Framework) is consistent with *ISO 31000:2018 Risk Management Guidelines*. The GISA Risk Management Plan Framework underpins delivery of key agency functions, programs and strategies, and complements other key work undertaken by the agency in operational and governance support including fraud and corruption prevention, workforce planning, and protective and cyber security.

The Framework incorporates a risk register to assess and document existing controls to mitigate and manage identified risks and future actions planned to further reduce the impact of risks. The risk register also supports the agency's compliance with *Treasurer's Instructions 2 – Financial Management, and Treasurer's Instructions 28 – Financial Management Compliance Program*.

The GISA Risk Management Plan Framework underpins delivery of key agency functions, programs and strategies, and complements other key work undertaken by the agency in operational and governance support including fraud and corruption prevention, workforce planning, and protective and cyber security.

The Risk Framework is an active document and is subject to regular review by the Board, Governance Committee and GISA Executive. This supports *31000:2018 Risk Management Guidelines*, which highlights the iterative nature of risk management and that 'new experiences, knowledge and analysis can lead to a revision of process elements, actions and controls at each stage of the process'.

### Fraud detected in the agency

There were no reported incidences or fraud in GISA in the 2021-22 financial year.

### Strategies implemented to control and prevent fraud

GISA has adopted a Fraud and Corruption Control Plan Framework in accordance with the South Australian Public Sector Fraud and Corruption Policy, and has implemented business procedures and internal controls to lower the risk of fraud occurring.

The Framework comprises the agency's policy to manage the risk of fraud and corruption in GISA, procedures for reporting suspected incidences of fraud,

corruption, maladministration and misconduct, and a compliance program that requires annual reporting to the Chief Executive on measures undertaken to prevent fraud and corruption in the agency.

The Framework was reviewed in 2021-22 following changes brought about by changes to the *Independent Commission Against Crime Act 2012* in October 2021.

### **Public interest disclosure**

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Green Industries SA Act 2004</i>	Section 15(2)(a) – audited statement of the income and expenditure of the Green Industry Fund

See Appendix A.

Act or Regulation	Requirement
<i>Green Industries SA Act 2004</i>	Section 15(2)(b) – any direction given to Green Industries SA by the Minister

No Ministerial directions were given to GISA by the former Minister for Environment and Water or Minister for Climate, Environment and Water in 2021-22.

Act or Regulation	Requirement
<i>Green Industries SA Act 2004</i>	Section 15(2)(c) – details of coordination of activities by Green Industries SA and the Environment Protection Authority

GISA and the EPA coordinate activities on a range of waste management and resource recovery matters. Key activities in 2021-22 included:

- Implementation and administration of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020*
- Contribution to national policy matters including response strategies to support implementation of national waste export bans, implementing actions under the National Waste Policy, national reporting obligations and consideration of product stewardship matters
- Consultation on licensee compliance associated with grant funding due diligence
- Waste to landfill data and solid waste levy revenue
- Implementation of the Charitable Recyclers Subsidy Program
- Local Government waste management services and infrastructure.



Regular meetings between GISA and the EPA are held at the Chief Executive level, as well as between directors and officers. The EPA is a member of the Single-Use Plastic Stakeholder Taskforce that GISA chairs.

Act or Regulation	Requirement
<i>Green Industries SA Act 2004</i>	Section 15(2)(d) – an assessment of the adequacy of the waste strategy and its implementation

*South Australia’s Waste Strategy 2020-25* advocates for high levels of recycling and reuse and has a number of landfill diversion targets.

During 2021-22, GISA supported implementation of the waste strategy through programs that have leveraged investment to build resilience and capacity in the state’s resource recovery sector, supported market development opportunities for recycled content products and materials, assisted businesses to implement circular economy initiatives and achieve resource efficiencies, improved services for the community, and increased awareness of recycling behaviours. Further information on GISA’s programs can be found in its annual business plan on the GISA website.

The most recent state-wide data available (2020-21) shows the following performance against Waste Strategy targets:

- 65 per cent diversion of Municipal Solid Waste (MSW) by 2023 – 59 per cent achieved in 2020-21
- 85 per cent diversion of Commercial and Industrial (C&I) waste by 2023 – 96.7 per cent achieved in 2020-21
- 90 per cent diversion of Construction and Demolition (C&D) waste by 2023 – 92.5 per cent achieved in 2020-21.

South Australia has undertaken significant steps to facilitate a shift towards a circular economy. Waste Strategy targets are being met in the C&I and C&D waste sectors, however it is recognised further improvements are required to divert MSW materials to recycling and reuse. Continued effort is required to keep materials and resources in use, or ‘circulating’, for as long as possible, while creating local solutions to our waste and recycling issues and expanding the sector.

Reforming kerbside waste management is a key priority for GISA in 2022-23 and beyond, and GISA is committed to working with Local Government to revolutionise household waste management for the future. This is being undertaken through GISA’s partnership with the Local Government Association (SA) and local councils, the Council Modernisation Grants Program. Kerbside Performance (Food Waste) Incentives Program, Local Government recycling infrastructure projects, Statewide Recycling Education, Circular Economy Market Development Grants, and policy and strategy development.

Act or Regulation	Requirement
<i>Single Use and Other Plastic Products (Waste Avoidance) Act 2020</i>	Section 14(1)(a) – information regarding the extent to which the Act has achieved its objectives

The objects of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020* (SUP Act) include to—

- a) provide for the restriction or prohibition of certain single-use and other plastic products; and
- b) promote and support better waste management practices including the reduction of marine litter; and
- c) promote and support the principles of the waste management hierarchy; and
- d) promote and support the principles of the circular economy.

**Section 5(a) – provide for the restriction or prohibition of certain single-use and other plastic products**

The purpose of the SUP Act to ‘provide for the restriction or prohibition of certain single-use and other plastic products’ has been achieved.

Single-use plastic straws, single-use plastic cutlery and single-use plastic drink stirrers have been restricted and prohibited from sale, supply, or distribution in South Australia since 1 March 2021, and expanded polystyrene cups, bowls, plates, and clamshell containers, and all oxo-degradable plastic products have been prohibited from sale, supply, and distribution since 1 March 2022. Oxo-degradable plastic products have also been prohibited from manufacture and production state-wide.

The legislation also includes provisions enabling additional items to be added to the list of prohibited products via regulation (refer to the discussion on section 14(1)(b) below for further information on the potential future scope of the SUP Act).

**Section 5(b) – promote and support better waste management practices including the reduction of marine litter; and**

**Section 5(c) – promote and support the principles of the waste management hierarchy; and**

**Section 5(d) – promote and support the principles of the circular economy.**

In allowing for the removal of a range of commonly littered and difficult-to-recycle plastic products from the South Australian market, the SUP Act has played an important role in both promoting and supporting better waste management practices in South Australia and the overarching principles of the waste management hierarchy and the circular economy.

The legislation, and the objectives which underpin it, have principally been promoted through the government's *Replace the Waste* campaign and *Plastic Free SA* initiative.

The [Replace the Waste](#) website and Facebook page have been the key platforms used to disseminate information about the legislation, including information on non-plastic and reusable alternatives to prohibited items. The *Replace the Waste* newsletters and other brochures have also facilitated targeted campaigning, especially in the lead up to and shortly following the introduction of the initial product bans and restrictions (1 March 2021 and 1 March 2022).

*Replace the Waste* promotional elements have also been displayed during the Adelaide Festival such as alongside Artist Robin Frohardt's "Plastic Bag Store" (2021) and during the Festival's Adelaide Writer's week (2022). The Adelaide Festival promotional activities have provided opportunities to both publicise the legislation and to revisit the issues which brought about its implementation, including the effects of plastic litter on marine and other ecosystems.

The *Plastic Free SA* initiative was established by the South Australian Government to support South Australian cafes, restaurant, canteens, and mobile food vendors, in replacing a range of plastic takeaway products with reusable or compostable alternatives and is delivered by a non-government organisation, the Boomerang Alliance. The structure of the program has enabled Boomerang Alliance to track the phase-out of plastic products from participating businesses. Since the commencement of the legislation and up until 30 June 2022, Boomerang Alliance estimate that 5 million pieces of plastic have been eliminated from participating businesses combined.

In addition to the *Plastic Free SA* findings, other indicators that the legislation has, to date, been successful in meeting objectives 5(b), (c), and (d) include:

- the high levels of compliance of the legislation demonstrated by the limited number of reports of non-compliance received by the EPA SA since the legislation was introduced and up until 30 June 2022 (Refer to the EPA Annual Report 2021-22);
- immediate reductions in littered plastic straws and plastic cutlery in the weeks following the introduction of the legislation on 1 March 2021 (KESAB litter Index May 2021); and
- availability and presence of compostable alternative products in the market that can be directed to organic collection systems and, when inadvertently or deliberately littered, have fewer marine impacts.

South Australia's SUP Act can also be recognised for its role in emboldening other Australian jurisdictions to take similar regulatory action to address single-use plastic and other problematic plastic products.

The implementation of plastic bans in other states and territories, specifically in the Australian Capital Territory (July 2021), Queensland (September 2021), and Western Australia (January 2022), is further promoting and supporting discussions at a national level on how product design, and community and industry waste

management practices can be improved to better align with the principles of the waste management hierarchy, and the circular economy.

Act or Regulation	Requirement
<p><i>Single Use and Other Plastic Products (Waste Avoidance) Act 2020</i></p>	<p>Section 14(1)(b) – information regarding consideration given to including additional plastic products within the ambit of the definition of <i>prohibited plastic product</i> by regulation pursuant to section 6(1)(h);</p> <p>and</p> <p>Section 14(2) - the initial report prepared under subsection (1) must include information regarding consideration given to including the following additional plastic products within the ambit of the definition of <i>prohibited plastic product</i> by regulation pursuant to section 6(1)(h):</p> <ul style="list-style-type: none"> <li>(a) single-use plastic cups (including coffee cups);</li> <li>(b) single-use plastic food containers;</li> <li>(c) single-use plastic bowls;</li> <li>(d) single-use plastic plates;</li> <li>(e) plastic lids of single-use coffee cups;</li> <li>(f) plastic balloon sticks;</li> <li>(g) plastic balloon ties;</li> <li>(h) plastic-stemmed cotton buds;</li> <li>(i) plastic bags.</li> </ul>

Section 14(1)(b) of the SUP Act requires that the annual report contain information regarding consideration given to including additional plastic products within the ambit of the definition of prohibited plastic product.

Section 14(2) of the SUP Act requires the initial annual report (2021-22) to include information regarding consideration given to including a list of certain products within the definition of a prohibited plastic product (as above).

In December 2021, GISA released the *Turning the tide: the future of single-use plastic in South Australia* discussion paper for public consultation. The discussion paper sought feedback on the products listed in section 14(2), whether they should be prohibited and why, the availability of alternatives, and included proposed timeframes for product phase outs. Additional items beyond those listed in section 14(2) were also included in the discussion paper for consideration.

GISA received 3,358 survey responses, comments, and emails combined, in addition to receiving 29 written submissions from stakeholders representing local and state government, NGO and shared interest groups, the waste and resource recovery sector, and business and industry.

Consultation on the summary closed on 19 February 2022 and, following analysis of submissions, a consultation summary document was made publicly available via the Replace the Waste website at [www.replacethewaste.sa.gov.au/resources/single-use-plastics-consultation-summary-report-2022](http://www.replacethewaste.sa.gov.au/resources/single-use-plastics-consultation-summary-report-2022)

GISA is considering the feedback provided and is formulating advice for government regarding next steps and approaches to be announced in 2022-23.

**Reporting required under the *Carers' Recognition Act 2005***

N/A

## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2021-22
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2021-22</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		<b>Total</b>	

<b>Additional Metrics</b>	<b>Total</b>
Nil	

**Service Improvements**

N/A
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**Compliance Statement**

GISA is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y - adopts DEW policy
GISA has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Update required



## **Appendix A: Audited financial statements 2021-22**

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Presiding Member Office of Green Industries SA

### Opinion

I have audited the financial report of the Office of Green Industries SA for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of Green Industries SA as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member, Chief Executive and Associate Director, Governance and Business.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Office of Green Industries SA. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Chief Executive and the Board for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board are responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office of Green Industries SA for the financial year ended 30 June 2022.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 Office of Green Industries SA's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Presiding Member and Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

28 September 2022

**Green Industries SA  
(GISA)**

**Financial Statements**

**For the year ended 30 June 2022**

**Green Industries SA**  
**Certification of Financial Statements**  
*for the year ended 30 June 2022*

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We certify that the:

- financial statements of Green Industries SA:
  - are in accordance with the accounts and records of Green Industries SA;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of Green Industries SA at the end of the financial year and the results of their operations and cash flows for the financial year.
- internal controls employed by Green Industries SA for the financial year over their financial reporting and their preparation of financial statements have been effective.



Ian Overton

**Chief Executive**

28 September 2022



Josh Wheeler

**Associate Director, Governance and  
Business**

29 September 2022



Kevin McGuinness

**Presiding Member**

Board of Green Industries SA

28 September 2022

**Green Industries SA**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2022*

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	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Solid waste levies	1.5	49 470	48 346
Revenues from SA Government	2.1	3 836	7 731
Appropriation	2.2	-	2 000
Interest	2.3	82	142
Resources received free of charge	2.4	32	36
Other income	2.5	70	58
<b>Total income</b>		<b>53 490</b>	<b>58 313</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	3 646	3 254
Supplies and services	4.1	3 282	8 279
Depreciation	5.1	54	54
Grants and subsidies	4.2	62 602	72 786
Other expenses	4.3	18	18
<b>Total expenses</b>		<b>69 602</b>	<b>84 391</b>
<b>Net result</b>		<b>(16 112)</b>	<b>(26 078)</b>
<b>Total comprehensive result</b>		<b>(16 112)</b>	<b>(26 078)</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Green Industries SA**  
**Statement of Financial Position**  
*as at 30 June 2022*

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	68 194	89 835
Receivables	6.2	485	104
Loans	6.3	731	906
<b>Total current assets</b>		<b>69 410</b>	<b>90 845</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	320	374
Loans	6.3	2 029	3 000
<b>Total non-current assets</b>		<b>2 349</b>	<b>3 374</b>
<b>Total assets</b>		<b>71 759</b>	<b>94 219</b>
<b>Current liabilities</b>			
Payables	7.1	1 072	7 147
Employee benefits	3.4	571	441
Other liabilities	7.3	64	69
Provisions	7.2	10	5
<b>Total current liabilities</b>		<b>1 717</b>	<b>7 662</b>
<b>Non-current liabilities</b>			
Payables	7.1	50	79
Employee benefits	3.4	513	842
Other liabilities	7.3	308	372
Provisions	7.2	30	11
<b>Total non-current liabilities</b>		<b>901</b>	<b>1 304</b>
<b>Total liabilities</b>		<b>2 618</b>	<b>8 966</b>
<b>Net assets</b>		<b>69 141</b>	<b>85 253</b>
<b>Equity</b>			
Retained earnings		69 141	85 253
<b>Total equity</b>		<b>69 141</b>	<b>85 253</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.



**Green Industries SA**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

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	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2020</b>	<u>111 331</u>	<u>111 331</u>
Net result for 2020-21	<u>(26 078)</u>	<u>(26 078)</u>
<b>Total comprehensive result for 2020-21</b>	<u>(26 078)</u>	<u>(26 078)</u>
<b>Balance at 30 June 2021</b>	<u>85 253</u>	<u>85 253</u>
Net result for 2021-22	<u>(16 112)</u>	<u>(16 112)</u>
<b>Total comprehensive result for 2021-22</b>	<u>(16 112)</u>	<u>(16 112)</u>
<b>Balance at 30 June 2022</b>	<u><u>69 141</u></u>	<u><u>69 141</u></u>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Green Industries SA**  
**Statement of Cash flows**  
*for the year ended 30 June 2022*

	2022	2021
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<i>Cash inflows</i>		
Waste levies received	49 470	48 403
Receipts from SA Government	3 833	9 731
Interest received	86	111
Other receipts	15	58
<b>Cash generated from operations</b>	<b>53 404</b>	<b>58 303</b>
<i>Cash outflows</i>		
Employee benefits payments	(3 845)	(3 246)
Payments for supplies and services	(5 983)	(10 518)
Payments of grants and subsidies	(66 105)	(68 808)
Other payments	(18)	(18)
<b>Cash used in operations</b>	<b>(75 951)</b>	<b>(82 590)</b>
<b>Net cash used in operating activities</b>	<b>(22 547)</b>	<b>(24 287)</b>
8.1		
<b>Cash flows from investing activities</b>		
<i>Cash inflows</i>		
Loans advanced	906	-
<b>Cash generated from investing activities</b>	<b>906</b>	<b>-</b>
<b>Net cash provided by investing activities</b>	<b>906</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21 641)</b>	<b>(24 287)</b>
Cash and cash equivalents at the beginning of the reporting period	89 835	114 122
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>68 194</b>	<b>89 835</b>
6.1		

The accompanying notes form part of these financial statements.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2022**

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**1. About Green Industries SA**

Green Industries SA (GISA) is a not-for-profit entity and comprises the following:

- GISA – a statutory corporation with an appointed governing board established by the *Green Industries Act 2004*
- an administrative unit named the Office of Green Industries SA established under the *Public Sector Act 2009*
- the Green Industry Fund established under the *Green Industries SA Act 2004*.

The Chief Executive of the statutory corporation is subject to the control and direction of the Board in giving effect to its policies and decisions. The *Green Industries SA Act 2004* permits the statutory corporation to make use of the services of the administrative unit's employees and facilities.

**1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*
- relevant Australian Accounting Standards.

The financial statements are prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Income, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.

The Department for Environment and Water (DEW) prepares a Business Activity Statement on behalf of GISA under the grouping provisions of the GST legislation. Under these provisions, DEW is liable for the payments and entitled to the receipts associated with GST. Therefore, GISA's net GST receivable/payable is recorded in DEW's Statement of Financial Position. GST cash flows applicable to GISA are recorded in DEW's Statement of Cash Flows.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2022**

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**1.2. Objectives and programs**

**Objectives**

GISA promotes waste management practices that, as far as possible, eliminate waste or its consignment to landfill; and promotes innovation and business activity in the waste management, resource recovery and green industry sectors, recognising these areas present a valuable opportunity to contribute to the state's economic growth.

To achieve its objectives, GISA undertakes programs and projects according to *South Australia's Waste Strategy 2020-25* and its strategic plan and annual business plan which include:

- developing and implementing government policy objectives in waste management, resource recovery, single-use plastics, green industry development and the circular economy
- encouraging innovation and economic growth through the circular and green economies and achieving environmental and community wellbeing gains
- helping businesses to be more productive with resources, reduce their costs through efficiencies in materials, water and energy, and become net-zero
- administering grants to local government and industry to drive innovation and support the circular economy through best practice in waste management, resource recovery, recycling and remanufacturing
- developing, administering and monitoring the State's Waste Strategy and food waste strategy
- reporting against landfill diversion targets, recycling outcomes and circular economy activity
- developing behaviour change programs to improve recycling and waste avoidance practices for households, schools and businesses
- functional lead for disaster waste management under the Government of South Australia's State Emergency Management Plan.

**Programs**

To achieve its objectives, GISA undertakes its services through a single program, 'Circular Economy and Green Industry Development'. Therefore, a Statement of Disaggregated Disclosures has not been prepared.

**1.3. Impact of COVID-19 pandemic on GISA**

The COVID-19 pandemic has not had a material impact on the operations of GISA in the 2021-22 financial year. Waste management services are identified as an essential service and continue to operate during restrictions.

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**1.4. Budget performance**

The budget performance table compares GISA's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
<b>Note</b>			
<b>Statement of Comprehensive Income</b>			
<b>Income</b>			
Solid waste levies	46 506	49 470	2 964
Revenues from SA Government	7 000	3 836	(3 164)
Interest	10	82	72
Revenues received free of charge	-	32	32
Other income	-	70	70
<b>Total income</b>	<b>53 516</b>	<b>53 490</b>	<b>(26)</b>
<b>Expenses</b>			
Employee benefits expenses	3 727	3 646	(81)
Supplies and services	4 056	3 282	(774)
Depreciation	54	54	-
Grants and subsidies	70 413	62 602	(7 811)
Other expenses	12	18	6
<b>Total expenses</b>	<b>78 262</b>	<b>69 602</b>	<b>(8 660)</b>
<b>Net result</b>	<b>(24 746)</b>	<b>(16 112)</b>	<b>8 634</b>

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of the original budgeted total expenses.

a Grants and subsidies are \$7.811 million lower than the original budget primarily due to:

- Climate Change Initiatives administered by DEW where some funding was reallocated from 2021-22 to future years as a result of program re-profiling regarding the Securing the Future of Our Coastline project.
- Partially offset by additional funding from the Australian Government for the Food Waste for Healthy Soils Program \$1.362 million.

**1.5. Significant transactions with government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- GISA had significant transactions with the Environment Protection Authority (EPA) during the 2021-22 financial year. The receipts of \$49.470 million (2021: \$48.346 million) from the EPA are associated with the transfer of 50% of solid waste levy revenue collected in accordance with the *Environment Protection Act 1993* and transferred to GISA in accordance with section 17 of the *Green Industries SA Act 2004*.
- GISA also made significant intra government transfer payments of \$29.052 million (2021: \$10.027 million) to DEW and \$20.759 million (2021: \$53.333 million) to the Department for Energy and Mining (DEM) for climate change initiatives.

**Green Industries SA**  
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**2. Income**

**2.1. Revenues from SA Government**

	2022	2021
	\$'000	\$'000
Intra-government transfers	3 836	7 731
<b>Total revenues from SA Government</b>	<b>3 836</b>	<b>7 731</b>

Revenues from SA Government are recognised as income on receipt.

Primarily related to funding of \$3.645 million received from the Australian Government via the Department of Treasury and Finance (DTF) for the National Partnership on Recycling Infrastructure Program.

**2.2. Appropriation**

	2022	2021
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	-	2 000
<b>Total appropriation</b>	<b>-</b>	<b>2 000</b>

Appropriation received in 2021 pursuant to the Appropriation Act consisted of \$2.0 million for operating funding associated with clean-up of bushfire-affected material. This appropriation comprised of money issued and applied to the department as per Schedule 1 of the Act.

**2.3. Interest**

	2022	2021
	\$'000	\$'000
Interest from the Green Industry Fund*	-	37
Interest on loan receivable <sup>^</sup>	82	105
<b>Total interest revenues</b>	<b>82</b>	<b>142</b>

\* Interest rate is determined by DTF.

<sup>^</sup> Relates to interest revenue of \$60 910 collected from the Recycling Infrastructure loan – refer to note 6.2 and 6.3; and \$21 193 from the Commercialisation of Innovation loan – refer to note 6.3.

**2.4. Resources received free of charge**

	2022	2021
	\$'000	\$'000
Services received free of charge	32	36
<b>Total resources received free of charge</b>	<b>32</b>	<b>36</b>

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. GISA receives Financial Accounting, Taxation, Payroll, Accounts Payable from Shared Services SA free of charge valued at \$23 304 (2021: \$27 000), and ICT services valued at \$9 000 (2021: \$9 000) from the Department of the Premier and Cabinet.

**Green Industries SA**  
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**2.5. Other income**

	2022	2021
	\$'000	\$'000
Grant refund *	8	53
Reimbursement of expenses incurred <sup>^</sup>	62	5
<b>Total other income</b>	<b>70</b>	<b>58</b>

\* Return of unspent funds to the Green Industry Fund related to the Recyclers SA project funded under the Circular Economy Market Development Grant Program that did not proceed in 2021-22.

<sup>^</sup> Primarily related to funding of \$50 000 reimbursed by South Australian Regional Development Australia Boards for the Benefits of a Circular Economy to Regional South Australia project.

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of GISA include the Minister for Climate, Environment and Water (the Minister), Board Members, the Chief Executive, Director and Associate Directors, who have key responsibility for the strategic direction and management of GISA.

The compensation detailed in the table below excludes salaries and other benefits received by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits*	1 054	776
Post-employment benefits	130	170
<b>Total</b>	<b>1 184</b>	<b>946</b>

\*GISA undertook an organisational restructure during 2021-22. The Executive team includes 6 key management personnel (2021: 4)

***Transactions with key management personnel and other related parties***

Related parties of GISA include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the government.

GISA did not enter into any transactions with key management personnel or their close family members during the reporting period.

Circular360 was established following an agreement between GISA and Circular Economy Alliance Australia Pty Ltd (CEAA). Refer to note 8.2. Two members of GISA's key management personnel were directors of Circular360 during 2021-22. One of GISA's key management personnel was replaced as a director of Circular360 and as at 30 June 2022, one member of GISA's key management personnel remains a director of Circular360. Grants provided by GISA to Circular360 during 2021-22 were \$300,000 (2021: nil). Refer note 4.2. There were no other transactions between GISA and Circular360.

**Green Industries SA**  
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**3.2. Board and committee members**

Members during the 2021-22 financial year were:

**Green Industries SA Board**

K P McGuinness (Presiding Member)  
 J L Conduit  
 T Dodd  
 L I Henderson

A J Skull  
 I Overton\* (Ex Officio)  
 P P Sandercock  
 V Tremaine

\* In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committees during the financial year.

**Board and committee remuneration**

The number of members whose remuneration received or receivable falls within the following bands:

	2022	2021
\$0 - \$19 999	7	7
\$20 000 - \$39 999	1	1
<b>Total number of members</b>	<b>8</b>	<b>8</b>

The total remuneration received or receivable by members was \$89 000 (2021: \$87 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3. Employee benefits expenses**

	2022	2021
	\$'000	\$'000
Salaries and wages	2 674	2 380
Employment on-costs - superannuation	326	389
Annual leave	282	246
Employment on-costs - other	163	128
Board and committees fees	80	80
Long service leave	77	13
Skills and experience retention leave	11	14
Targeted voluntary separation packages	30	-
Other employment related expenses	3	4
<b>Total employee benefits expenses</b>	<b>3 646</b>	<b>3 254</b>

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents GISA's contributions to superannuation plans in respect of current services of current employees.



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**3.3. Employee benefits expenses (continued)**

***Executive remuneration***

The number of employees whose remuneration received or receivable falls within the following bands:

	2022	2021
	No	No
\$157 001 to \$177 000	2	-
\$177 001 to \$197 000	-	1
\$197 001 to \$217 000	-	1
\$217 001 to \$237 000	1	-
\$237 001 to \$257 000	-	1
\$277 001 to \$297 000	1	-
\$317 001 to \$337 000	-	1
<b>Total</b>	<b>4</b>	<b>4</b>

The total remuneration received by those employees for the years was \$0.825 million (2021: \$0.946 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

***Targeted Voluntary Separation Packages (TVSPs)***

The number of employees who accepted a Rejuvenation Scheme payment was 1 (2021: nil).

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Rejuvenation Package	30	-
Leave paid to separated employees	5	-
<b>Net cost to GISA</b>	<b>35</b>	<b>-</b>

**3.4. Employee benefits liability**

	2022	2021
	\$'000	\$'000
<b><u>Current</u></b>		
Accrued salaries and wages	4	75
Annual leave	315	278
Long service leave	236	71
Skills and experience retention leave	16	17
<b>Total current employee benefits</b>	<b>571</b>	<b>441</b>
<b><u>Non-current</u></b>		
Long service leave	513	842
<b>Total non-current employee benefits</b>	<b>513</b>	<b>842</b>
<b>Total employee benefits</b>	<b>1 084</b>	<b>1 283</b>

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2022**

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**3.4. Employee benefits liability (continued)**

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave**

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

**Long service leave liability - measurement**

AASB 119 *Employee Benefits* specifies the calculation methodology for long service leave liability. The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth bonds has increased from 2021 (1.25%) to 2022 (3.50%).

Following the actuarial assessment performed by DTF the salary inflation rate remained unchanged from 2021 (2.5%) for long service leave liability. The salary inflation rate for annual leave and skills, experience and retention leave liability has decreased from 2021 (2.0%) to 2022 (1.50%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service liability of \$0.109 million. The impact on future periods is impracticable to estimate as the long service liability is calculated using a number of demographic and financial assumptions – including the long-term discount rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last year.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2022*

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**4. Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1. Supplies and services**

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Fee for service - community education programs	597	626
Waste disposal	366	368
Fee for service - waste strategy and policy including single-use plastics	303	421
Fee for service - circular economy	259	436
Fee for service - recycling and waste activities	249	101
General administration	232	180
Information technology and communication charges	168	93
Consultants	146	52
Accommodation	141	177
Contractors	109	46
Fee for service - DEW	83	87
Fee for service - other	62	59
Minor works, maintenance and equipment	49	55
Fee for service - light globes collection	48	43
Staff development	44	42
Fee for service - bushfire clean-up	-	5 038
Advertising	-	195
Other	426	260
<b>Total supplies and services</b>	<b>3 282</b>	<b>8 279</b>

***Accommodation***

GISA's accommodation is provided by DIT (Department for Infrastructure and Transport) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB 16 and are accordingly expensed. Information about accommodation incentives relating to this arrangement is shown at note 7.3.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
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**4.2. Grants and subsidies**

	2022	2021
	\$'000	\$'000
Climate change initiatives *	49 811	63 360
Recycling Modernisation Grant Program ^	6 180	3 110
Bushfire Tree Clean up @	2 444	-
Recycling Infrastructure Grants Program - Industry and Local Government	1 896	2 782
Council Transition and Regional Transport Subsidies Program	884	1 169
Circular Economy Business Sustainability Program	306	271
Circular360 #	300	-
Circular Economy Market Development Grant Program	312	289
Local Government Program (Food Waste)	228	1 231
Charitable Recyclers Subsidy Program	192	106
Trade Waste Initiative	30	423
Other contributions	19	45
<b>Total grants and subsidies</b>	<b>62 602</b>	<b>72 786</b>

\* Intra government transfers for climate change projects as approved by the Minister under the *Green Industries SA Act 2004*, independent of the Board of Green Industries SA

^ A joint funded grant program by the Commonwealth and State governments to South Australia's resource recovery sector under the National Partnership on Recycling Infrastructure over 2020-21 to 2023-24.

@ Return of unspent funds previously received from DTF for Bushfire Tree Clean Up.

# Refer to note 8.2

**4.3. Other expenses**

	2022	2021
	\$'000	\$'000
Audit fees	18	18
<b>Total other expenses</b>	<b>18</b>	<b>18</b>

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$18 000 (2021: \$18 000). No other services were provided by the Auditor-General's Department.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
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**5. Non-financial assets**

**5.1. Property, plant and equipment owned by GISA**

Property, plant and equipment owned by GISA with a value of \$10 000 or greater are capitalised, otherwise it is expensed. Property, plant and equipment owned by GISA is recorded at fair value. Detail about GISA's approach to fair value is set out in note 10.2.

Property, plant and equipment comprises of tangible assets owned. The assets presented below do not meet the definition of investment property.

Leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Depreciation on leasehold improvements is calculated on a straight line basis over the estimated useful life of 12 years.

**Reconciliation 2021-22**

	Leasehold improvements	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	374	374
Depreciation	(54)	(54)
Carrying amount at the end of the period	<u>320</u>	<u>320</u>
<b>Gross carrying amount</b>		
Gross carrying amount	655	655
Accumulated depreciation	(335)	(335)
Carrying amount at the end of the period	<u>320</u>	<u>320</u>

**Reconciliation 2020-21**

	Leasehold improvements	Total
	\$'000	\$'000
Carrying amount at the beginning of the period	428	428
Depreciation	(54)	(54)
Carrying amount at the end of the period	<u>374</u>	<u>374</u>
<b>Gross carrying amount</b>		
Gross carrying amount	652	652
Accumulated depreciation	(278)	(278)
Carrying amount at the end of the period	<u>374</u>	<u>374</u>

**Review of accounting estimates**

Assets' residual values and useful lives are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

**Impairment**

Property, plant and equipment owned by GISA has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

**Green Industries SA**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

**Deposits with the Treasurer**

	2022 \$'000	2021 \$'000
Green Industry Fund	68 194	89 835
<b>Total cash and cash equivalents</b>	<b>68 194</b>	<b>89 835</b>

The Green Industry Fund is established under section 17 of the *Green Industries SA Act 2004*. The Fund must be kept as directed by the Treasurer. The Green Industry Fund deposit account was established under section 21 of the Public Finance and Audit Act 1987.

Cash is measured at nominal amounts. In accordance with section 17(5) of the *Green Industries SA Act 2004*, the Green Industry Fund may be applied by GISA or by the Minister for Climate, Environment and Water. In 2021-22, the Fund was used in accordance with the GISA 2021-22 business plan approved by the Board of GISA and Minister; and the Fund was also applied by the Minister towards the costs of climate change initiatives.

**6.2. Receivables**

	2022 \$'000	2021 \$'000
<b>Current</b>		
<b>Trade receivables</b>		
From non-government entities	67	-
Accrued revenues	301	65
Prepayments	116	39
Workers compensation recoveries	1	-
<b>Total current receivables</b>	<b>485</b>	<b>104</b>

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. Prepayments are not financial assets.

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for further information on risk management.

Accrued revenue relates to principal and interest repayment collected by South Australian Government Financing Authority (SAFA) for the Recycling Infrastructure loan – refer to note 6.3. In 2021-22, the principal receivable is \$240 183 and the associated interest revenue receivable is \$60 910.

**Green Industries SA**  
**Notes to and forming part of the financial statements**  
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**6.3. Loans**

	2022	2021
	\$'000	\$'000
<b><u>Current</u></b>		
Commercialisation of Innovation loan <sup>^</sup>	-	906
Recycling Infrastructure loan*	731	-
<b>Total current loans</b>	<b>731</b>	<b>906</b>
<b><u>Non-current</u></b>		
Recycling Infrastructure loan*	2 029	3 000
<b>Total non-current loans</b>	<b>2 029</b>	<b>3 000</b>
<b>Total loans</b>	<b>2 760</b>	<b>3 906</b>

- <sup>^</sup> This is an investment loan initiated by GISA in 2016-17, to commercialise innovative waste and recycling technologies and ideas. A partnership between GISA and Innovyz Pty Ltd (a South Australian based company) was established to facilitate the loan scheme with the aim of commercialising research in waste management, recycling and related areas. The loan operates under a maximum of a 5 year period and a commercial annual interest rate (4.5% p.a.) is applied daily on the loan which was fully repaid by 30 April 2022.
- \* This loan provided by GISA in 2018-19 supported a plastic recycling business to invest in advanced manufacturing equipment to sort and process plastic waste into high quality material for sale into local and export markets. The loan is managed by South Australian Government Financing Authority (SAFA). The term of the loan is 7 years and commenced on 14 February 2019. The loan was interest only at a rate of 2.17% for 3 years, payable monthly, but is now principal and interest for the remaining 4 years at the rate of 1.80% from February 2022.

**Green Industries SA**  
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**7. Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	2022	2021
	\$'000	\$'000
<b><u>Current</u></b>		
Trade payables*	944	7 034
Accrued expenses	18	18
Employment on-costs	110	95
<b>Total current payables</b>	<b>1 072</b>	<b>7 147</b>
<b><u>Non-current</u></b>		
Employment on-costs	50	79
<b>Total non-current payables</b>	<b>50</b>	<b>79</b>
<b>Total payables</b>	<b>1 122</b>	<b>7 226</b>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

\* The decrease in trade payables primarily relates to payments towards the Recycling Infrastructure Grant Program, Recycling Modernisation Grant Program and Local Government Food Waste Program.

***Employment on-costs***

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

GISA contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave remained unchanged from the 2021 rate (42%). The average factor for the calculation of employer superannuation cost on-costs has increased from the 2021 rate (10.1%) to 2022 (10.60%). These rates are used in the employment on-cost calculation.



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**7.2. Provisions**

All provisions are for workers compensation.

	2022	2021
	\$'000	\$'000
<b><u>Current</u></b>		
Provision for workers compensation	10	5
<b>Total current provisions</b>	<b>10</b>	<b>5</b>
<b><u>Non-current</u></b>		
Provision for workers compensation	30	11
<b>Total non-current provisions</b>	<b>30</b>	<b>11</b>
<b>Total provisions</b>	<b>40</b>	<b>16</b>
	2022	2021
	\$'000	\$'000
<b><i>Reconciliation of Workers Compensation (statutory and non-statutory)</i></b>		
Carrying amount at the beginning of the period	16	10
Additional provisions recognised	24	6
<b>Carrying amount at the end of the period</b>	<b>40</b>	<b>16</b>

GISA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, GISA is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

**7.3. Other liabilities**

	2022	2021
	\$'000	\$'000
<b><u>Current</u></b>		
Accommodation incentive	64	69
<b>Total current other liabilities</b>	<b>64</b>	<b>69</b>
<b><u>Non-current</u></b>		
Accommodation incentive	308	372
<b>Total non-current other liabilities</b>	<b>308</b>	<b>372</b>
<b>Total other liabilities</b>	<b>372</b>	<b>441</b>

Accommodation incentive liabilities relate to arrangements with DIT for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities under AASB 16 *Leases*. DIT has provided a fit-out of accommodation. The benefit of these incentives is spread over the accommodation term so that

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each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

**8. Other disclosures**

**8.1. Cash flow**

**Reconciliation of net result to cash flows from operating activities**

	2022	2021
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	68 194	89 835
<b>Balance as per the Statement of Cash Flows</b>	<b>68 194</b>	<b>89 835</b>
<b>Reconciliation of net cash provided by/(used in) operating activities to net result from providing services</b>		
Net cash used in operating activities	(22 547)	(24 287)
<b>Add / less non-cash items</b>		
Depreciation	(54)	(54)
Loan interest capitalised	(240)	40
<b>Movement in assets and liabilities</b>		
Increase / (decrease) in receivables	381	(38)
(Increase) / decrease in payables	6 104	(1 756)
(Increase) / decrease in employee benefits	199	(11)
Decrease in other liabilities	69	34
(increase) in provisions	(24)	(6)
<b>Net result</b>	<b>(16 112)</b>	<b>(26 078)</b>

**8.2. Interests in other entities**

During 2021-22, GISA and Circular-Economy Alliance Australia Pty Ltd (CEAA) entered an agreement to establish Circular360 Limited.

GISA and CEAA are the founding members of Circular360. The founding members each appoint a director to the Circular360 board, however, have no entitlement to any dividend or other distribution of profits, and have no claim over the net assets of Circular360. As Circular360 is a company limited by guarantee, the founding members exposure to the liabilities of Circular360 is limited to \$100.

Circular360 is based in Adelaide, and its purpose is to promote, educate, research, develop and implement the circular economy, including the delivery of the Global Leadership Program on the Circular Economy. A grant funding agreement exists between GISA and Circular360, with GISA providing \$300,000 p.a. from 2021-22 to 2023-24. Refer to note 4.2

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**9. Outlook**

**9.1. Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

**Expenditure commitments**

Expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	2022	2021
	\$'000	\$'000
Within one year	9 348	20 956
Later than one year but not longer than five years	30 506	34 996
Later than five years	3 666	8 553
<b>Total expenditure commitments</b>	<b>43 520</b>	<b>64 505</b>

GISA's expenditure commitments are for:

- agreements for memoranda of administrative arrangements with DIT for accommodation; and
- funding to DEM for climate change initiatives approved by the former Minister for Environment and Water.

**9.2. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

GISA is not aware of any contingent assets or contingent liabilities.

**9.3. Impact of standards and statements not yet effective**

GISA continues to assess the impact of new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. GISA continues to assess liabilities e.g. LSL and whether or not GISA has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

**9.4. COVID-19 pandemic outlook for GISA**

The COVID-19 pandemic is not expected to have a material impact on the operations of GISA. Waste management services are identified as an essential service and will continue to operate during restrictions.

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**9.5. Events after the reporting period**

GISA is not aware of any event occurring after balance date that would materially affect the financial statements.

**10. Measurement and risk**

**10.1. Long service leave liability – measurement**

See note 3.4 for measurement of long service leave liability.

**10.2. Fair value**

*AASB 13 Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

***Initial recognition***

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value (that is, the amount recorded by the transferor public authority immediately prior to the restructure).

***Revaluation***

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer and audit committee each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

GISA does not hold assets that meet this criteria.

***Fair value hierarchy***

GISA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date

Level 2: not traded in an active market and derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly

Level 3: not traded in an active market and are derived from unobservable inputs.

GISA categorises non-financial assets measured at fair value at level 3 which are all recurring. There are no non-recurring fair value measurements.

GISA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2022, GISA had no valuations categorised into level 1 or 2.

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**10.3. Financial instruments**

***Financial risk management***

Risk management is managed by GISA's corporate services section. GISA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

GISA's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

***Liquidity risk***

GISA is funded principally from waste levies received under the *Green Industries SA Act 2004* (refer to note 1.5). GISA's expenditure authority is approved by the Treasurer each year, based on budgeted revenues and expenditures outlined in an annual Business Plan.

***Credit risk***

GISA has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by GISA.

***Impairment of financial assets***

GISA considers that its cash, cash equivalents and receivables have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

***Market risk***

GISA does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. GISA does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

GISA has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

There have been no significant changes in risk exposure since the last reporting period.

***Categorisation and classification of financial instruments***

Details of the material accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Financial assets and financial liabilities are measured at amortised cost.

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**10.3. Financial instruments (continued)**

Classification of Financial Instruments

Financial assets and financial liabilities are measured at amortised cost.

Category of financial asset and financial liability	Note	2022 Carrying amount / fair value \$'000	2022 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		68 194	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables	(1), (2)	369	369	-	-
Loans		2 760	731	2 029	-
<b>Total financial assets</b>		<b>71 323</b>	<b>1 100</b>	<b>2 029</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	(1)	944	944	-	-
<b>Total financial liabilities</b>		<b>944</b>	<b>944</b>	<b>-</b>	<b>-</b>

Category of financial asset and financial liability	Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
<b>Cash and cash equivalents</b>					
Cash and cash equivalents		89 835	n/a	n/a	n/a
<b>Financial assets at amortised cost</b>					
Receivables	(1), (2)	65	65	-	-
Loans		3 906	906	3 000	-
<b>Total financial assets</b>		<b>93 806</b>	<b>971</b>	<b>3 000</b>	<b>-</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at amortised cost</b>					
Payables	(1)	7 034	7 034	-	-
<b>Total financial liabilities</b>		<b>7 034</b>	<b>7 034</b>	<b>-</b>	<b>-</b>

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example, Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

(2) Receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.